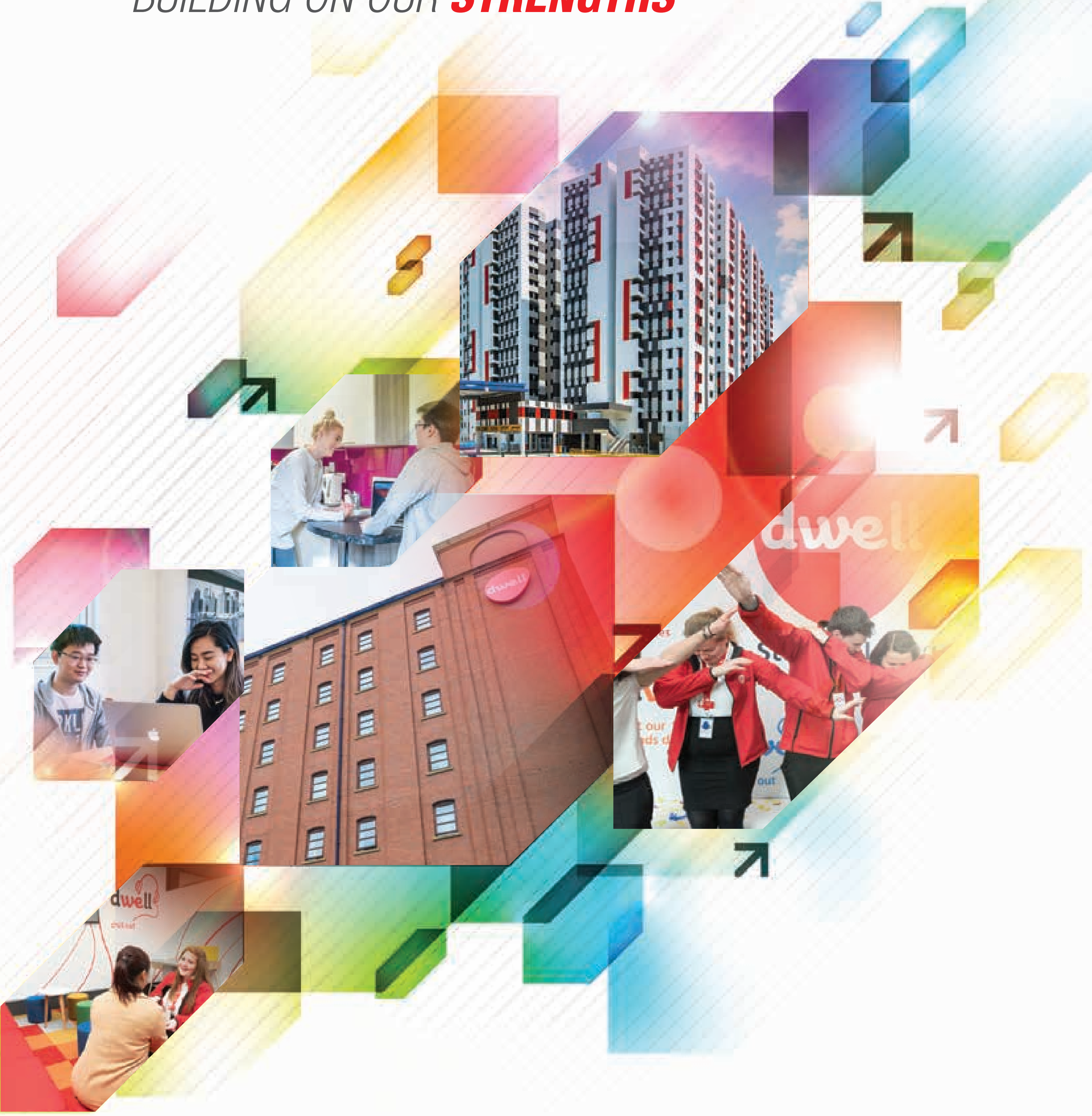
Centurion Corporation Limited

ANNUAL REPORT 2016

BUILDING ON OUR **STRENGTHS**



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OUR **VISION**

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

CORPORATE **PROFILE**

Centurion Corporation Limited ("Centurion" or together with its subsidiaries, the "Group") is one of Singapore's largest workers' and students' accommodation owner-operators. It owns, develops and manages quality workers accommodation assets in Singapore and Malaysia, as well as student accommodation assets in Singapore, Australia and the United Kingdom ("UK").

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

As at 31 December 2016, the Group owns and manages a strong portfolio of 22 operational accommodation assets totalling c.63,200 beds. With a pipeline of two development projects in Penang, Malaysia – a 6,600-bed accommodation under development and a 6,100-bed accommodation pending completion of land acquisition and final planning approval, Centurion's portfolio is expected to grow to c.75,900 beds by FY2018, if they are completed as scheduled.

In the workers accommodation space, Centurion has c.34,700 beds across five workers accommodation assets in Singapore and c.25,300 beds across seven workers accommodation assets in Johor, Malaysia as at 31 December 2016, which are managed under the Group's "Westlite" brand.

In 2014, leveraging on its expertise in workers accommodation, the Group expanded into the student accommodation business with the acquisition of RMIT Village in Melbourne, Australia, and four student accommodation assets in Liverpool and Manchester, UK, totalling 2,357 beds. In 2015 and 2016 respectively, the Group won a bid to operate a 332-bed student accommodation in Singapore, and acquired 519 beds across four more student accommodation assets in the UK. Across Singapore, Australia and the UK, the Group operates a total of 3,208 student accommodation beds. Besides exploring the potential to enhance these assets, the Group plans to grow its student accommodation portfolio in key educational hubs around the world.

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

OUR **MISSION**

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

OUR CORE VALUES

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

1. Respect

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

2. Integrity

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

3. Creativity

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

4. Excellence

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

SIGNIFICANT **EVENTS IN 2016**

January to March

Westlite Senai II Began Operations

Centurion opened its 5,900-bed workers accommodation in Johor, Malaysia, which is strategically located near industrial parks that house several major multinational electronic manufacturers.

April to June

Acquisition of Four Student Accommodation Assets in the UK

The Group announced its acquisition of four student accommodation assets in Manchester, Bristol and Newcastle. This adds another 519 beds to its student accommodation portfolio.

ASPRI-Westlite Papan Achieved TOP and Commenced Operations

The 7,900-bed workers accommodation, ASPRI-Westlite Papan, received its Temporary Occupancy Permit ("TOP") and commenced operations.
This is the first integrated purpose-built workers accommodation in Singapore, featuring a training centre for workers in the process industry.

July to September

Best CEO Award Winner at Singapore Corporate Awards 2016

Mr Kong Chee Min, was awarded the Best Chief Executive Officer (companies with less than S$300 million in market capitalisation) at the 11th Singapore Corporate Awards.

Accreditation for the Group's Student Accommodation Assets in the UK

All eight of the Group's assets in the UK were accredited membership to the Accreditation Network UK ("ANUK") National Code of Standards for larger student developments. As a member, student residents have confidence and assurance that they are housed in quality accommodations.

October to December

Full Redemption of S$100 Million

The inaugural S$100 million 5.25% Medium Term Note due October 2016, was fully redeemed.

LETTER TO SHAREHOLDERS

Dear Shareholders,

Centurion is pleased to have delivered a robust set of financial results, and continued to enhance shareholder value in the financial year ended 31 December 2016 ("FY2016"), which was achieved under challenging operating environments and coupled with headwinds in the global economy.

Since establishing ourselves as a leading provider of workers accommodation in Singapore and Malaysia, we have successfully expanded the Group's business by diversifying into the student accommodation business in Singapore, Australia and the United Kingdom ("UK"). Through it all, we have remained steadfast in our core business strategies, continued to build on our strengths to grow our capability and expand our footprint in the global stage. We believe our ability to execute our strategies and navigate through challenging environments have resulted in the Group's financial strength and ability to build on our capital base to deliver sustainable returns to our shareholders.

In line with the positive operational performance of our 22 assets across four countries, our net profit from core business operations attributable to equity holders of the Company grew 8% year-on-year to S$38.6 million, on the back of a 15% year-on-year growth in revenue to S$120.3 million, largely driven by the continual expansion of the Group's workers and student accommodation businesses.

In October 2016, we fully redeemed our inaugural S$100 million 5.25% 3 year Medium Term Note, which was issued in 2013. This demonstrated our commitment to prudent capital management.

In light of the Group's improved performance and to reward shareholders, the Board of Directors has recommended a final dividend of 1.0 Singapore cent per share, bringing total dividend for FY2016 to 2.0 Singapore cents per share.

BUILDING ON OUR STRENGTHS

During the year, we continued to strengthen our diversified portfolio of workers and student accommodation assets, through the acquisition of new assets, asset enhancement initiatives and active management of our assets.

In Singapore, we opened our fifth workers accommodation asset, ASPRI-Westlite Papan, in May 2016 which has since achieved an occupancy rate of approximately 75% in its first seven months of operations. Despite the tough macroeconomic environment, our four other workers accommodation assets in Singapore continue to achieve an average occupancy rate of close to 95% and contributed strongly to the Group's full year revenue.

In March 2017, we received a notification by the Ministry of National Development ("MND") that it is prepared to offer Westlite Tuas a 9-month extension of its lease, which was due to expire on 29 April 2017. As advised by MND, we will work with the Building and Construction Authority ("BCA") to facilitate the extension of the lease.

Across the Causeway, we continued to grow our scale with the opening of the 5,900-bed Westlite Senai II in January 2016 and further strengthen our position as the dominant purpose-built workers accommodation ("PBWA") provider in Malaysia. Although the occupancies of our assets in Malaysia faced some softening in the initial months of the year due to a slowdown in the manufacturing sector and a federal ban imposed on the hiring of foreign workers, the ban was relaxed in 4Q2016 for certain industries, including the manufacturing sector. We have since experienced an improvement in demand for our workers accommodation.

Our student accommodation assets continue to perform well with most of our accommodation in Australia and the United Kingdom ("UK") operating at close to full occupancy in the current academic year and provide a good return on our investments. Student accommodation has proven to be an attractive and resilient asset class as global investment activities continued to be vibrant in 2016 with unabated interest from sovereign wealth funds and large institutional investors.

To further grow our student accommodation business, we acquired a portfolio of four assets in the UK. These assets not only contribute positively to our earnings, but also extended our UK presence to Bristol and Newcastle.

In February 2017, we launched our new energetic and dynamic student accommodation brand – **dwell** and rebranded our nine student accommodation assets in Singapore and UK. Besides marking the coming-of-age for the Group as an owner and manager of quality student accommodation assets, this branding initiative is our strategy to strengthen our operational capabilities and develop our management platform for the student accommodation business.

With **dwell** as the cornerstone of our student accommodation business, we will continue to grow this business segment through acquisitions, organically or provision of third-party management services.

BUILDING OUR COMMUNITIES

Since we entered the accommodation business, we believe that residents are integral to our business. We will continue to provide them with vibrant communities where they can

feel safe and welcomed. Aside from regular upgrading and maintenance to upkeep our accommodation assets, we also partner with local organisations to hold activities that are both fun and enriching to the residents, including excursions, festive celebrations and complimentary health screenings.

Besides the physical facilities, we have also explored what our assets can offer to meet the needs of our clients and residents. Our newest workers accommodation, ASPRI-Westlite Papan, located near Jurong Island, has an integrated training centre to provide training for residents working in the process, construction and maintenance industries, thereby upgrading their skill sets.

For our student accommodation assets in UK and Singapore which are now managed under the **dwell** brand, we continue to foster a sense of camaraderie among our residents by organising recreational and social activities to add to the vibrancy of the communities within each student accommodation asset.

In line with our branding, we have invested capital to upgrade and enhance our communal facilities and amenities, as well as refurbished certain room units to enhance the overall

MR WONG KOK HOE
Chairman

MR KONG CHEE MIN
Chief Executive Officer

LETTER TO SHAREHOLDERS

quality of our accommodation. Testament to our commitment to providing quality accommodations, all our eight student accommodation assets in the UK have been accredited under the Accreditation Network UK National Code of Standards.

BUILDING OUR FUTURE

Looking ahead, despite the ongoing economic challenges that may directly or indirectly affect us, we remain optimistic of the long-term demand for our workers' and students' accommodation in the countries that we operate in.

In Singapore, the underlying demand for workers accommodation remained stable. With no new supply of PBWAs and coupled with the expected reduction in bed capacity from the expiry of land leases of several workers accommodation, we believe that the PBWAs market will remain healthy in the near term. Moreover, as the government launches new infrastructure projects and implement new policies to ensure foreign workers are housed in proper accommodation, these developments could potentially drive more employers to house their workers in PBWAs.

In Malaysia, the severe manpower shortage across various sectors has improved with the relaxation of the ban on foreign workers in 4Q2016. This will invariably benefit our PBWAs in Johor, which is a key manufacturing hub for the region, as the manufacturing sector employs one of the largest pool of foreign workers in Malaysia. With our first-mover advantage in offering PBWAs, we are positive over the long-term prospects of our investments in the country. We also look forward to expanding our presence to Penang, another key manufacturing hub for multinational companies. The Group's two upcoming projects – Westlite Bukit Minyak and Westlite Juru – are expected to be operational in 2018, if completed as scheduled.

For our student accommodation assets, we will continue to build on our healthy occupancy rates across all assets and leverage on the **dwell** brand to enhance our position as a reputable student accommodation owner and manager.

As part of our asset enhancement initiatives, we have finalised our plans to develop a new accommodation block in RMIT Village, Australia. Given the healthy demand for purpose-built student accommodation in Melbourne, when completed, the asset is expected to perform well and contribute positively to the Group's earnings.

Overall, Centurion's workers and student accommodation business are well-placed to maintain its market position in the year ahead. We will continue our proactive approach to managing our assets to stay competitive and weather any potential challenges. We will also continually evaluate asset enhancement and investment opportunities in our commitment to delivering value to our stakeholders.

ACKNOWLEDGEMENTS

We would like to take this opportunity to welcome to the Board, Non-Executive Independent Director Mr Owi Kek Hean. Mr Owi joined the Board on 1 January 2017 and was also appointed a member of the Audit and Nominating Committees. With 33 years of experience in KPMG where he has held many positions, including Head of Tax, Head of Enterprise Services and Deputy Managing Director, we look forward to his valuable counsel and contributions to the Group.

In addition, we would like to thank our shareholders, clients, business partners and staff for their continued commitment and support. As we continue to build on our business for the future, we look forward to sharing further successes as we entrench Centurion as a premier provider of quality accommodation for workers and students and related professional management services.

Yours faithfully,
Wong Kok Hoe *(Chairman)*
Kong Chee Min *(Chief Executive Officer)*

BUILDING OUR FUTURE

We remain optimistic of the long-term demand for purpose-built accommodation, both workers' and students' sectors, in the four countries the Group operates in. Considering ongoing economic challenges that could affect us directly or indirectly, we believe that the Group is well-placed to maintain our market position in the year ahead.

Centurion will continue its strategy of proactively managing our assets to ensure we stay ahead of the competition and ready to weather potential challenges as they arise. In our commitment to growth and delivering value to our shareholders, we will remain on the lookout for asset enhancement and investment opportunities.

BOARD OF DIRECTORS

MR WONG KOK HOE

Non-Executive Chairman

Mr Wong joined the Board on 1 August 2011 as Non-Executive Chairman. He is also a member of the Remuneration Committee. He was last re-elected a Director of the Company on 23 April 2014.

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

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

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

MR LOH KIM KANG DAVID, PBM, BBM

Non-Executive Director

Mr Loh joined the Board on 8 May 2015 as a Non-Executive Director and was last re-elected a Director of the Company on 29 April 2016.

Mr Loh brings with him decades of experience in the investment and stockbroking industry. His last position was in UOB Kay Hian Pte Ltd (formerly known as Kay Hian Pte Ltd) where he was Director (Business Consultant) from 2009 to 2010. He was a Director (Dealing) in UOB Kay Hian Pte Ltd from 2007 to 2009, Executive Director (Dealing) from 1999 to 2007, and Associate Director (Dealing) from 1996 to 1999. He took on an additional role as Managing Director (Management) at UOB Kay Hian (Hong Kong) Ltd (formerly known as Kay Hian Overseas Securities Ltd) from 1999 to 2001. Prior to joining UOB Kay Hian Pte Ltd, he was briefly with OUB Securities Pte Ltd as Director (Dealing) from 1995 to 1996. Mr Loh started his career as Dealer/Director (Dealing) at Ong & Company Pte Ltd from 1989 to 1995.

Since 2008, Mr Loh has been a Principal and Director of Centurion Global Ltd, a controlling shareholder of the Company. Mr Loh is the maternal cousin of Mr Han Seng Juan, Non-Executive Director and controlling shareholder of the Company, and brother-in-law of Mr Tony Bin Hee Din, Executive Director, Accommodation Business of the Company and Chief Executive Officer of Centurion Properties Pte Ltd, a subsidiary of Centurion Global Ltd.

Mr Loh was presented with the Bintang Bakti Masyarakat (Public Service Star) (BBM) at the 2016 National Day Awards. He was previously presented with the Pingat Bakti Masyarakat (Public Service Medal) (PBM) at the 2011 National Day Awards.

Mr Loh holds a Bachelor of Science degree from the University of Oregon.

MR HAN SENG JUAN, PBM, BBM

Non-Executive Director

Mr Han joined the Board on 8 May 2015 as a Non-Executive Director and was last re-elected a Director of the Company on 29 April 2016.

His last position was in UOB Kay Hian Pte Ltd (formerly known as Kay Hian Pte Ltd) where he was Director (Business Consultant) from 2009 to 2010. He was a Director (Dealing) in UOB Kay Hian Pte Ltd from 2007 to 2009, Executive Director (Dealing) from 1999 to 2007, and Associate Director (Dealing) from 1996 to 1999. Prior to joining UOB Kay Hian Pte Ltd, he was briefly with OUB Securities Pte Ltd as Director (Dealing) from 1995 to 1996 and Ong & Company Pte Ltd as Director (Dealing) from 1989 to 1995. Mr Han started his career as a Dealer at UOB Securities Pte Ltd from 1987 to 1989.

He has been a Principal and Director of Centurion Global Ltd, a controlling shareholder of the Company, since 2008. Mr Han is the maternal cousin of Mr Loh Kim Kang David, Non-Executive Director and controlling shareholder of the Company.

Mr Han was presented with the Bintang Bakti Masyarakat (Public Service Star) (BBM) at the 2015 National Day Awards. He was previously presented with the Pingat Bakti Masyarkat (Public Service Medal) (PBM) at the 2010 National Day Awards.

Mr Han holds a Bachelor of Science degree from the University of Oregon.

BOARD OF DIRECTORS

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 29 April 2016. Mr Gn is also the Chairman of both the Audit and Nominating Committees and a member of the Remuneration Committee.

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

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

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

MR CHANDRA MOHAN S/O RETHNAM, PBM, BBM
Non-Executive Independent Director

Mr Mohan was appointed as Non-Executive Independent Director of the Company on 17 May 2007 and was last re-elected a Director on 28 April 2015. He is also the Chairman of the Remuneration Committee and a member of both the Audit and Nominating Committees.

Mr Mohan is presently an Advocate and Solicitor and a Partner of a law firm in Singapore. Prior to that, he was a lecturer with the Faculty of Law at the National University of Singapore, which he joined in 1987. On top of his experience in law, he is also a Fellow of the Singapore Institute of Arbitrators and the UK Chartered Institute of Arbitrators.

Mr Mohan has been appointed to sit on the SINDA Executive Committee for the term 2015 – 2017 and is the Chairman of its Donor Relation Sub-Committee with effect from 27 October 2015.

Mr Mohan was presented with the Bintang Bakti Masyarakat (Public Service Star) (BBM) at the 2015 National Day Awards. He was previously presented with the Pingat Bakti Masyarakat (Public Service Medal) (PBM) at the 2011 National Day Awards.

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.

MR OWI KEK HEAN
Non-Executive Independent Director

Mr Owi was appointed as Non-Executive Independent Director of the Company on 1 January 2017. Mr Owi is also a member of both the Audit and Nominating Committees.

Mr Owi is the Executive Director of IMO & Partners Pte. Ltd. since November 2015. Prior to that, he was with KPMG for 33 years where he last held the positions of Head of Tax, Head of Enterprise Services and Deputy Managing Director of KPMG, Singapore until his retirement in October 2015.

Mr Owi graduated with a Bachelor of Business Administration degree from the National University of Singapore and is an Accredited Tax Advisor (Income Tax and GST).

SENIOR MANAGEMENT

MR KONG CHEE MIN

Chief Executive Officer

Mr Kong was appointed as Chief Executive Officer of the Group in August 2011 and oversees its operations and strategic growth. Mr Kong joined the Group in 1996 and was a member of the Board from 28 March 2000 until he stepped down on 8 May 2015.

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

Mr Kong is a Certified Public Accountant with over 26 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.

MR LEE KERK CHONG

Executive Director – Optical Disc Business

Mr Lee is primarily responsible for the strategic planning and overall management of the optical storage manufacturing operations of the Group. Mr Lee was a member of the Board since 1984 until his retirement on 28 April 2015.

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 41 years, and he brings his vast entrepreneurial experience and strong management skills to the Group.

MR BIN HEE DIN TONY

Executive Director – Accommodation Business

Mr Bin is primarily responsible for the strategic planning and overall management of the Group's accommodation business. Mr Bin is also the Chief Executive Officer of Centurion Properties Pte Ltd ("Centurion Properties"), a subsidiary of Centurion Global Ltd, the ultimate controlling shareholder of the Company. Mr Bin was a member of the Board from 1 August 2011 until he stepped down on 8 May 2015.

Mr Bin joined Centurion Properties in 2007 and has been managing its accommodation business since 2008. Prior to joining Centurion Properties, Mr Bin was the concurrent General Manager of Guthrie Properties, Heartland Retail Holdings and AsiaMalls Management Pte Ltd from 1999 to 2007. Between 1989 and 1999, Mr Bin was in the financial industry, specifically in the areas of corporate banking (real estate) and debt capital markets. Between 1984 and 1989, he was with a statutory board and a property developer.

Mr Bin graduated from the National University of Singapore in 1984 with a degree in Bachelor of Science (Estate Management). Mr Bin is the brother-in-law of Mr Loh Kim Kang David, Non-Executive Director and controlling shareholder of the Company.

SENIOR MANAGEMENT

MS FOO AI HUEY
Chief Financial Officer

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

Prior to joining the Group, Ms Foo was a Senior Accountant of MOH Holdings Pte Ltd (formerly known as "Health Corporation of Singapore Pte Ltd") and had also worked as an internal auditor in a Singapore listed company. She has accumulated more than 24 years of finance and accounting related experience covering internal audit, taxation, internal control, financial accounting, cost and management accounting in the accommodation, manufacturing, service and health care industries. Ms Foo holds a Bachelor of Commerce from the University of Newcastle, Australia and is a member of the Institute of Singapore Chartered Accountants and CPA Australia.

MS LEE GEOK ING JANICE
HR & Admin Manager

Ms Lee was first appointed to the Board on 11 August in 1994. She resigned from the Board on 18 May 2007 and remains as Human Resource and Admin Manager. She is the sister of Mr Lee Kerk Chong and has been with the Group since its incorporation. As HR & Admin Manager, she currently oversees the Group's human resource development and administration. Ms Lee is equipped with over 32 years of accounting, human resource and administrative experience, and was an external auditor with a local public accounting firm and had worked in a private company overseeing its finance, administration and human resource matters before joining the Group.

MR TEO PENG KWANG KELVIN
Chief Operating Officer – Accommodation Business

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

Mr Teo has over 30 years of experience in the property and workers accommodation development and management business. Prior to 2007, Mr Teo was involved in the operations of various workers accommodation in Singapore for approximately 17 years. Mr Teo's extensive experience also includes the development of a condominium and two terraced housing projects as well as the upgrading of a hotel and several other landed properties.

Mr Teo is the First Vice President of the Dormitory Association of Singapore Limited ("DASL") and a member of the Board of Trustees of the Migrant Workers' Assistance Fund, Migrant Workers' Centre. Mr Teo was the President of the DASL from September 2012 to June 2015.

SENIOR MANAGEMENT

MR HO LIP CHIN

Chief Investment Officer – Accommodation Business

Mr Ho joined the Group in January 2012 as Director, Investments, before his appointment as Chief Investment Officer in 2015. He is responsible for growing the Group's Accommodation Business and assists in the Group's strategic planning activities. Mr Ho has over 20 years of experience in real estate and hospitality industries across Asia Pacific. Prior to joining the Group, he was the Director, Real Estate at Centurion Properties, where he was involved in its real estate investments and accommodation business.

Mr Ho had previously worked with global companies including Pramerica Real Estate Investors, GE Real Estate and InterContinental Hotels Group in the areas of investment, fund management, asset management, business development and marketing.

Mr Ho graduated from the University of San Francisco with Masters of Business Administration and Bachelor of Science in Business Administration degrees.

MR LEONG SIEW FATT

Head, Student Accommodation Business

Mr Leong joined the Group in 1993 as an engineer and is currently the Head of Student Accommodation Business. He is responsible for the overall management of the Group's Student Accommodation Business across the United Kingdom, Australia and Singapore.

He was previously responsible for the operations of the Group's workers accommodation in Malaysia as well as for the technical and manufacturing operations of the Group's Optical Disc Business.

Mr Leong has extensive technical, operational and management experience spanning over 32 years.

Mr Leong graduated with a Bachelor of Engineering Management degree from the University of Western Sydney.

MR YEO BOON HING DAVID

Director of Corporate Research and Innovation

Mr Yeo is responsible for the research and identification of new business models, market trends, innovative technologies and opportunities for the Group's workers and student accommodation businesses in existing and new markets. He is also tasked to research and make recommendations to venture into any new businesses that align with the growth of the Group.

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

Prior to his current role as Director of Corporate Research and Innovation, Mr Yeo was the Chief Executive Officer of Summit CD Manufacture Pte Ltd overseeing its local operations.

Mr Yeo holds a Bachelor of Science degree in Finance and Marketing from the University of Oregon.

MR LIM CHOON KWANG

Director of Security

Mr Lim joined the Group in October 2016 as Director of Security, and is responsible for providing strategic leadership to the Group on security management and business continuity. He has more than 24 years of security experience in both the public and private sectors, where he last held a regional position as Security Operations Manager with Apple South Asia in Singapore. Mr Lim was previously Director Security Management at SP PowerGrid, overseeing security and business continuity management for the Singapore Power Group, and has also held other leadership positions in China and at the National University of Singapore. Before joining the corporate sector, Mr Lim was a Deputy Superintendent of Police with the Singapore Police Force, and had held leadership positions in operations, investigations, specialist operations, and training in public order and public security.

Mr Lim graduated with a Bachelor of Science in Banking & Finance degree from the University of London, and also holds a Master's degree in Security Management from Australia's Edith Cowan University.

BUILDING OUR STRENGTHS

FY2016 saw many exciting additions to Centurion's portfolio of both workers' and students' accommodation assets. The development of Westlite Senai II in Johor, Malaysia and ASPRI-Westlite Papan in Singapore increased our capacity of purpose-built workers accommodation by approximately 13,800 beds. The acquisition of four more student accommodation assets in the United Kingdom added another 519 beds to our student accommodation portfolio.

Rounding up another year of growth, the Group's total bed capacity stands at approximately 63,200 beds, with over 12,000 beds in the pipeline from the Group's expansion into the purpose-built workers accommodation sector of Penang, Malaysia.

BUSINESS PORTFOLIO

SINGAPORE

Total Operational: c.34,700 Beds (Workers Accommodation)
(as at 31 December 2016)

1 WESTLITE WOODLANDS

- c.4,100 beds
- Land tenure: 30 years (wef 2013)
- Land area: 9,542 sqm
- Strategically located near the Woodlands industrial hub, the accommodation caters to workers from the marine, process and manufacturing industries

BUSINESS **PORTFOLIO**

2 **WESTLITE MANDAI** (45% OWNED)
- c.6,300 beds
- Land tenure: Freehold
- Land area: 11,265 sqm
- The largest freehold purpose-built workers accommodation in Singapore and caters to workers for all industries

3 **WESTLITE TOH GUAN**
- c.7,800 beds
- Land tenure: 60 years (wef 1997)
- Land area: 11,685 sqm
- Conveniently located in the Jurong locality with easy access to major expressways, the accommodation caters to workers from all industries

4 **ASPRI-WESTLITE PAPAN** (51% OWNED)
- 7,900 beds
- Land tenure: 23 years (wef 2015)
- Land area: 14,817 sqm
- First-of-its-kind workers accommodation in Singapore that incorporates a training centre
- Opened in 2016, Centurion's newest workers accommodation asset

5 **WESTLITE TUAS**
- c.8,600 beds
- Land tenure: 3+3+3 years (wef 2008) + 9 months (wef April 2017)
- Land area: 40,349 sqm
- BCA Green Mark Gold Award Winner

BUSINESS PORTFOLIO

MALAYSIA

Total Operational: c.25,300 Beds, Total Pipeline: c.12,700 Beds (as at 31 December 2016)

1 WESTLITE JURU

- c.6,100 beds
- Land tenure: 99 years
- Land area: 26,709 sqm
- Expected to be completed in 2018

2 WESTLITE BUKIT MINYAK

- c.6,600 beds
- Land tenure: Freehold
- Land area: 17,900 sqm
- Centurion's first Malaysian worker's accommodation outside Johor
- Expected to be completed in 2018

3 WESTLITE SENAI II

- c.5,900 beds
- Land tenure: Freehold
- Land area: 19,071 sqm
- Construction was completed in January 2016

BUSINESS PORTFOLIO

4 WESTLITE SENAI

- c.2,600 beds
- Land tenure: Freehold
- Land area: 20,310 sqm
- Located near established industrial parks in Senai where several major multinational electronics manufacturers are based

5 WESTLITE DESA CEMERLANG

- c.1,600 beds
- Land tenure: Freehold
- Land area: 15,555 sqm
- Located near the major manufacturing hubs of Taman Perindustrian Tiram Utama

6 WESTLITE TAMPOI

- c.5,300 beds
- Land tenure: Freehold
- Land area: 28,328 sqm
- Located in one of the established industrial zones in Iskandar, Malaysia within close proximity to several major multinational electronics manufacturers

7 WESTLITE JOHOR TECH PARK

- c.5,800 beds
- Land tenure: 99 years (wef 2013)
- Land area: 14,314 sqm
- One of the largest purpose-built workers dormitory in Johor

8 WESTLITE PASIR GUDANG

- c.2,000 beds
- Land tenure: 99 years (wef 1986)
- Land area: 8,391 sqm
- Located near the industrial zone within Pasir Gudang

9 WESTLITE TEBRAU

- c.2,100 beds
- Land tenure: 60 years (wef 2000)
- Land area: 5,718 sqm
- One of Johor's first purpose-built workers accommodation

10 LAND AT NUSAJAYA, JOHOR

- Land use conversion in progress
- Land tenure: Freehold
- Land area: 30,174 sqm
- Located in Nusajaya, one of the five flagship zones of Iskandar, Malaysia

BUSINESS PORTFOLIO

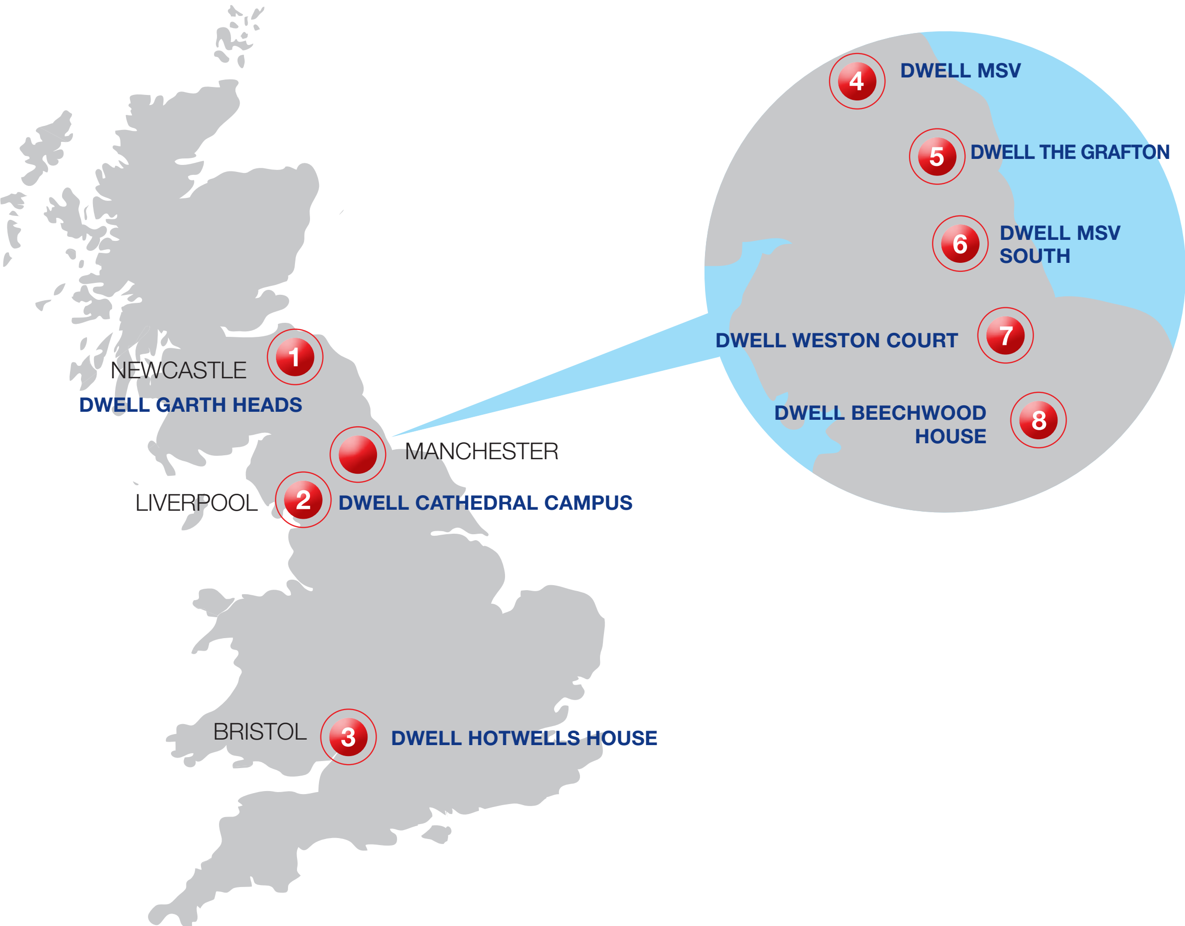
INDONESIA

1 **LAND AT BEKASI, INDONESIA**

- Land tenure: 30 years (wef 2013)
- Land area: 7,220 sqm
- Under evaluation for the development of an accommodation to house workers as well as middle-level executives working in nearby industrial parks

UNITED KINGDOM

Total Operational: 2,420 Beds (as at 31 December 2016)



BUSINESS **PORTFOLIO**

1 DWELL GARTH HEADS

- 185 beds
- Land tenure: 125 years (wef 1995)
- Land area: 2,000 sqm
- Located within a short walk to both Northumbria University and Newcastle University

2 DWELL CATHEDRAL CAMPUS

- 384 beds
- Land tenure: 250 years (wef 2007)
- Land area: 16,400 sqm
- Close proximity to Liverpool John Moores University, Liverpool Institute of Performing Arts, and Liverpool City Centre

3 DWELL HOTWELLS HOUSE

- 157 beds
- Land tenure: 125 years (wef 2009)
- Land area: 2,400 sqm
- Short walk to the main University of Bristol campus

4 DWELL MSV

- 1,017 beds
- Land tenure: Freehold
- Land area: 4,500 sqm
- Easy access to the University of Manchester and Manchester Metropolitan University campuses, as well as Manchester City Centre

5 DWELL THE GRAFTON

- 145 beds
- Land tenure: Freehold
- Land area: 880 sqm
- Located off the main Oxford Road and short walk to the University of Manchester's main campus

6 DWELL MSV SOUTH

- 355 beds
- Land tenure: Freehold
- Land area: 6,300 sqm
- Short walk from the city campuses to the North and Fallowfield to the South

7 DWELL WESTON COURT

- 140 beds
- Land tenure: 125 years (wef 2008)
- Land area: 3,700 sqm
- Short walk to the University of Manchester – Fallowfield Campus

8 DWELL BEECHWOOD HOUSE

- 37 beds
- Land tenure: 125 years (wef 2009)
- Land area: 1,700 sqm
- Situated within Fallowfield – a popular student area within the city

BUSINESS PORTFOLIO

AUSTRALIA
Total Operational: 456 Beds (as at 31 December 2016)

1 LAND AT PORT HEDLAND
- Land tenure: Freehold
- Land area: 4,434 sqm
- Currently undergoing rezoning to "mixed-business" and short-stay accommodation

2 RMIT VILLAGE
- 456 beds
- Land tenure: Freehold
- Land area: 6,200 sqm
- Centurion's first student accommodation asset
- Located close to Melbourne's Central Business District, RMIT University and University of Melbourne

SINGAPORE
Total Operational: 332 Beds (as at 31 December 2016) (Student Accommodation)

1 DWELL SELEGIE
- 332 beds
- Land tenure: 3+3+2 years (wef 2015)
- Land area: 4,408 sqm
- Short walk to Singapore Management University (SMU), LASALLE College of the Arts, School of the Arts Singapore (SOTA) and Kaplan city campuses

BUILDING OUR PERFORMANCE

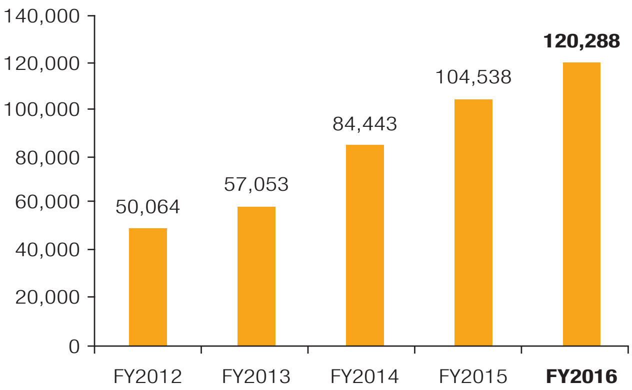
Despite challenging economic conditions, the Group recorded a strong performance in FY2016. Revenue continued to grow, surpassing last year's record revenue by 15% to S$120.3 million, which contributed to a 14% year-on-year growth in gross profit to S$78.4 million.

In light of our performance, we want to reward our shareholders for their faith in us. The Board has, therefore, recommended a final dividend of 1.0 cent for our shareholders, bringing the total dividend payout for FY2016 to 2.0 cents.

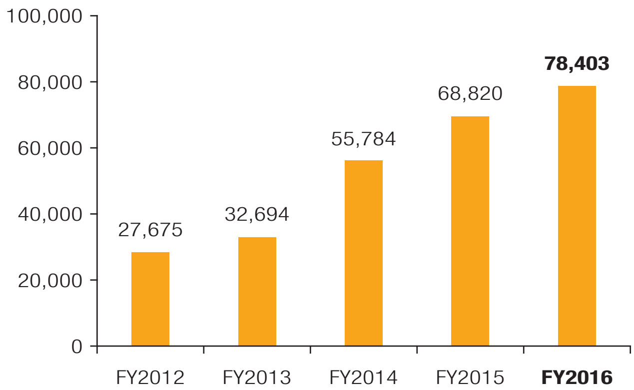
FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS AT A GLANCE

REVENUE (S$'000)

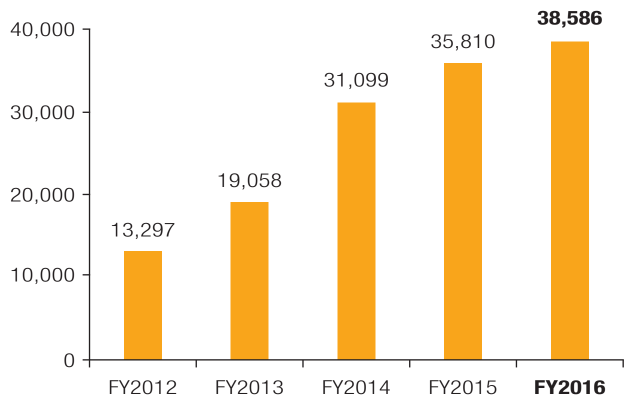


GROSS PROFIT (S$'000)



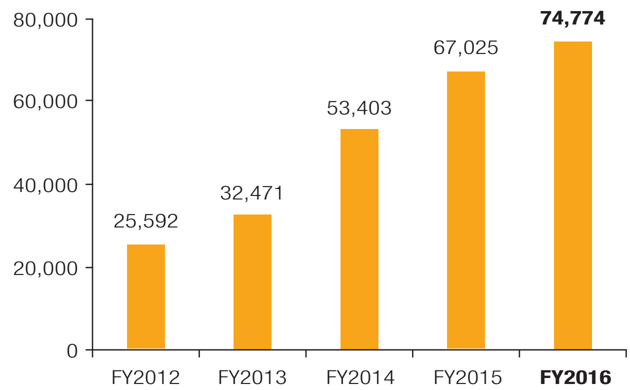
NET PROFIT FROM CORE BUSINESS OPERATIONS (S$'000)

Attributable to Equity Holders of the Company
(recurring, excluding one-off items*)



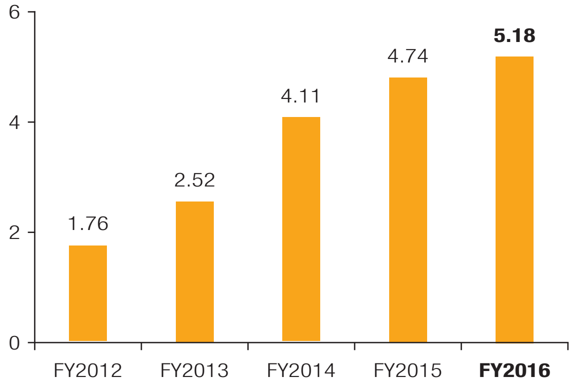
EBITDA (S$'000)

(recurring, excluding one-off items*)

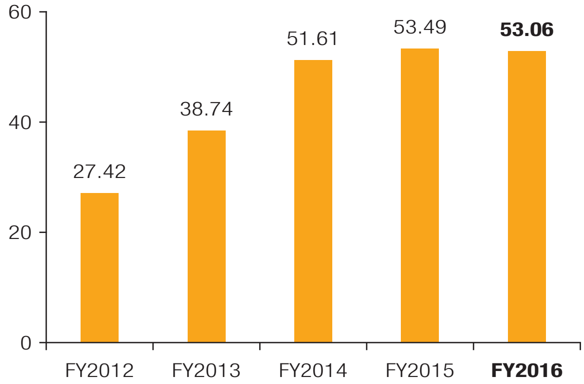


EARNINGS PER SHARE FROM CORE BUSINESS OPERATIONS (Cents)

(recurring, excluding one-off items*)



NET ASSET VALUE PER SHARE (Cents)



** One-off items refer to non-cash accounting adjustments such as fair value gains/losses on investment properties, investment write-down in associated company, impairment loss on property, plant and equipment and profit from the sale of industrial factory units.*

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

(S$'000)	FY2015	FY2016	Change %
Revenue	104,538	**120,288**	+15%
Gross Profits	68,820	**78,403**	+14%
Gross Profit Margin	66%	**65%**	-1pp
Net Profit After Tax	33,979	**34,811**	+2%
Net Profit After Tax#	34,129	**28,707**	-16%
Profit from Core Business Operations# (recurring, excluding one-off items*)	35,810	**38,586**	+8%

Attributable to Equity Holders of the Company

* *One-off items refer to fair value gains/losses on investment properties, investment write-down in associated company.*

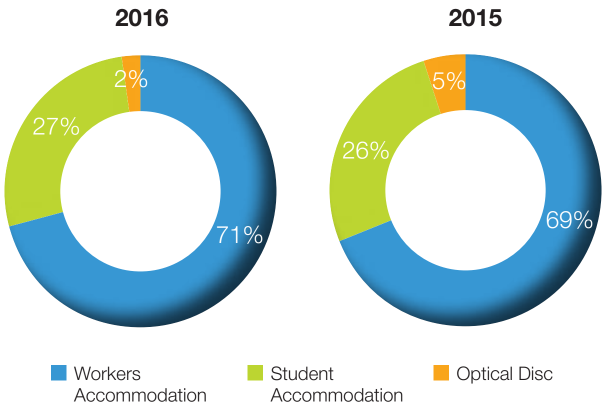
In FY2016, the Group reported a record revenue of S$120.3 million, a 15% increase from S$104.5 million in FY2015, while net profit from core business operations attributable to equity holders of the company continued to grow by 8% year-on-year to S$38.6 million. The improved performance in FY2016 was largely driven by the continual expansion of the workers and student accommodation businesses and increase in portfolio to 63,208 beds, up from 50,072 beds at the end of FY2015.

During the year in review, the Group's Accommodation Business continued to provide the stable revenue and profit, following the successful expansion into the student accommodation business since 2014 and the further expansion of bed capacity in the workers accommodation business.

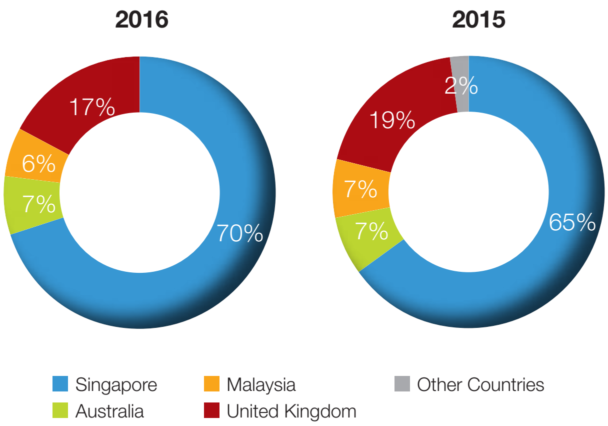
In FY2016, the Group reported a 19% year-on-year rise in revenue from the Group's Accommodation Business to S$118.1 million, which accounted for 98% of the Group's revenue. The Optical Disc Business contributed the remaining 2% in revenue.

Segmental Review

REVENUE CONTRIBUTION BY BUSINESS SEGMENT (%)



REVENUE CONTRIBUTION BY GEOGRAPHY (%)



The Group's workers accommodation assets, accounted for 71% of total revenue in FY2016. Revenue from the Group's workers accommodation business grew 19% from S$72.1 million in FY2015 to S$85.8 million in FY2016, mainly due to higher revenue contribution from Westlite Woodlands and ASPRI-Westlite Papan, as margins remained stable for the workers accommodation portfolio.

As part of the Group's diversification strategy, it expanded into the student accommodation business in FY2014, which resulted in a more balanced revenue contribution across the segments in FY2016. Revenue from this segment accounted for S$32.3 million or 27% of the Group's revenue for FY2016, a year-on-year increase of 18% from S$27.4 million in FY2015. The increase in revenue contributions were mainly attributed to higher revenue contribution from dwell Selegie in Singapore, and the four student accommodation assets in the United Kingdom which were acquired in FY2016.

FINANCIAL REVIEW

Revenue from the Group's Optical Disc Business, which accounted for approximately 2% of the Group's revenue in FY2016, registered a 57% decline to S$2.2 million due to the continued weak market demand for physical optical disc media and the cessation of the Group's manufacturing operations in Indonesia on 31 December 2015.

In FY2016, revenue from the Group's Accommodation Business in Singapore accounted for the majority, or 68%, of the Group's revenue. As the Group's home base, the Singapore portfolio of workers accommodation assets continued to grow organically in FY2016 and delivered a strong performance for the year. In line with the strategy to diversify beyond the shores of Singapore, revenue contribution from the overseas accommodation assets grew by 4% year on year from S$34.7 million to S$36.0 million in FY2016 and accounted 30% of the Group's revenue.

However, foreign-sourced revenue is inevitably subjected to currency volatility, and in June 2016, Brexit led to the depreciation of the Sterling pound by more than 20% against the Singapore dollar, and revenue contribution from UK operations was reduced when translated to the Group's reporting currency in Singapore dollars. Without the effects of Brexit, the Group's overseas revenue contribution would have increased by 16% and accounted for approximately 32% of the Group's revenue.

Nonetheless, the Group has taken a long term view on its strategy to diversify the Group's business geographically and will continue to look for opportunities overseas to increase in foreign-sourced income.

Profitability

On the back of revenue growth from the expansion of its Accommodation Business, the Group's gross profit continued to improve, increasing 14% to reach S$78.4 million in FY2016, compared to S$68.8 million in FY2015. The Group maintained a healthy gross profit margin of 65% during the year in review.

Nonetheless, the Group's net profit after tax increased only by 2% from S$34.0 million to S$34.8 million. This was mainly due to fair valuation losses of its Group's investment properties of S$3.1 million as compared to fair valuation gains of S$3.6 million in FY2015. The fair valuation losses were mainly contributed by one of its workers accommodation assets in Singapore, Westlite Toh Guan, having to reduce its bed capacity, but were partially offset by fair valuation gains of the Group's student accommodation assets and a worker dormitory, ASPRI-Westlite Papan, which has obtained its TOP in May 2016.

Group net profit after tax attributable to equity holders of the Company was S$28.7 million after accounting for the non-controlling interest proportion of the fair valuation gains of ASPRI-Westlite Papan in which the Group only has 51% interest. The decrease of S$5.4 million from S$34.1 million in FY2015 was largely due to the fair valuation losses of Westlite Toh Guan.

Excluding the one-off items in the form of fair valuation gains and losses in both financial years, and the one-off write down of investment in an associated company of S$4.8 million in FY2015, the Group's profit from core business operations attributable to equity holders of the company recorded a growth of 8% from S$35.8 million in FY2015 to S$38.6 million in FY2016. The Group's Accommodation Business contributed substantially to the overall net profit, while the Optical Disc Business broke even in FY2016.

Similarly, earnings per share ("EPS") in FY2016 posted a decrease of approximately 15% to 3.86 cents per share, from 4.52 cents per share in FY2015. However, excluding the one-off items, the EPS derived from core business operations increased 9% year-on-year from 4.74 cents in FY2015 to 5.18 cents per share in FY2016.

Net asset value per share for the Group reduced slightly to 53.06 cents as at 31 December 2016 from 53.49 cents for the same period a year ago. This is largely due to the currency translation losses for its investments in the United Kingdom.

Cash Flow and Balance Sheet

The Group's operational accommodation assets continued to generate stable and strong operating cash flow, before working capital changes, of S$68.5 million in FY2016, a 14% increase from S$60.1 million in FY2015.

Investment properties increased by S$35.9 million to S$927.4 million, largely due to the acquisition of the UK Braemar assets and the development of workers accommodation assets in Singapore and Malaysia.

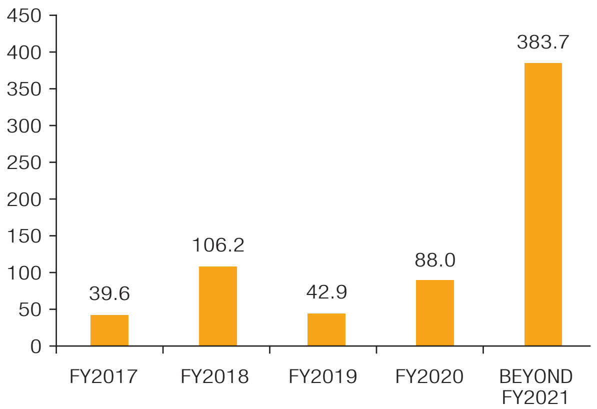
The Group's borrowings declined by S$11.2 million in FY2016, largely due to the redemption of the S$100 million MTN Series 1, which were offset by bank loans obtained to partly finance the redemption, as well as for the acquisition of the

FINANCIAL REVIEW

UK Braemar assets and the development of ASPRI-Westlite Papan and Senai II which were completed during the year. Accordingly, the Group's net gearing ratio as at 31 December 2016 increased from 50% to 55%. Despite the higher gearing ratio, the 3.5 times interest cover continues to be adequate and is within the Group's interest cover threshold.

The Group adopts a prudent financing strategy for its long-term investment properties by securing a long-term bank debt for each property. Excluding the MTN debt of an outstanding S$65 million, the average debt repayment or maturity is about 11 years.

Debt Maturity Profile as at 31 December 2016 (S$m)



With active debt and capital management policies in place, the Group's balance sheet remained robust with S$82.5 million of cash and cash balances. To ensure sustainable growth in the long term, the Group will carefully balance between acquiring operating assets that will contribute to current income, and investing in development projects for sustained future growth.

Dividends

Moving forward, the Group will remain focused on enhancing long-term shareholders' value by managing and growing its businesses to deliver sustainable earnings growth.

Although the Group does not have a fixed dividend policy, it has been rewarding shareholders with cash dividends since FY2012. The Group has also been paying an interim dividend on a half-yearly basis since the second quarter of FY2015, in line with the Group's stable financial performance in the past two financial years.

To reward shareholders, the Board has recommended a final dividend of 1.0 Singapore cent per share. Together with the interim dividend of 1.0 Singapore cent per share paid on 7 September 2016, this brings the total dividend payout for FY2016 to 2.0 Singapore cents per share.

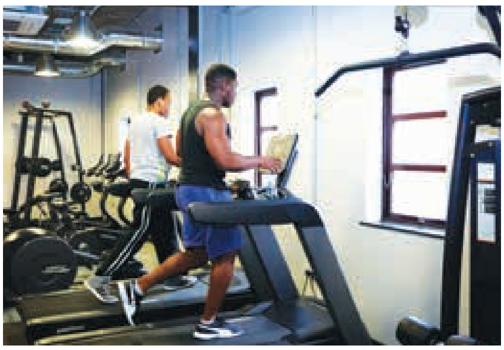
The Board will target to continue to propose payment of dividends to reward shareholders, after taking into consideration the Group's profits, financial position and projected capital requirements for its business growth.

OPERATIONS **REVIEW**

dwell MSV facade

dwell Cathedral Campus

dwell Garth Heads

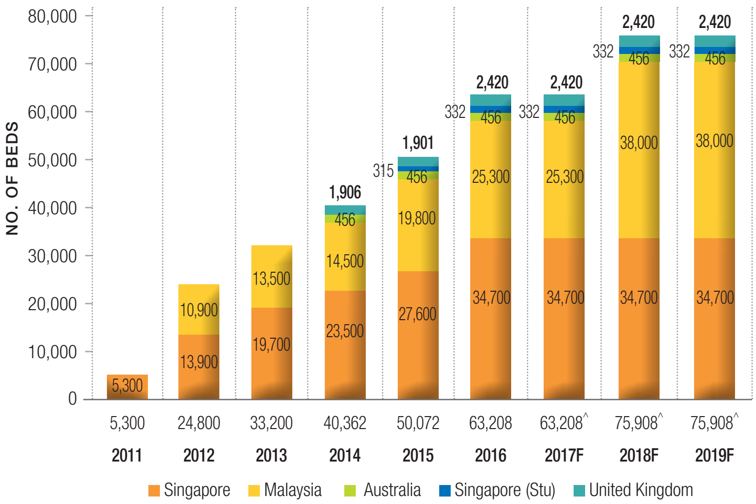


dwell MSV Gym

OUR GLOBAL FOOTPRINT

In FY2016, the Group continued to grow its portfolio of workers and student accommodation assets, adding c.13,800 beds, across the countries that it operates in. As at 31 December 2016, the Group's portfolio consists of 22 operational accommodation assets with a total capacity of c.63,200 beds, with two more projects in the pipeline (Westlite Bukit Minyak and Westlite Juru, in Penang, Malaysia).

Accommodation Growth Profile



^ Includes Westlite Tuas of 8,600 beds. The land lease of Westlite Tuas will expire in Jan 2018 if there is no further extension by the authorities.

SINGAPORE

Staying Committed to Key Home Market

In Singapore, the Group operates five workers accommodation assets with a total of c.34,700 beds in this key home market, with Westlite Toh Guan, Westlite Mandai, Westlite Tuas and Westlite Woodlands enjoying close to full occupancy rates as at 31 December 2016. Despite the softer economy in 2016, the Group continued to achieve above-average occupancy rates compared to its peers, and generated healthy and stable revenues.

During the year, the Group successfully ramped up the occupancy rate of Westlite Woodlands, which began operations in July 2015, to c.99%. Strategically located near the Woodlands industrial hub, the accommodation features 3-bedroom units to accommodate workers working in different shifts from the marine, process and manufacturing industries in the northern part of Singapore. Each unit comes with its own toilets, kitchen and laundry area to provide comfort and convenience.

ASPRI-Westlite Papan, the Group's latest workers accommodation, began operations in May 2016 and added another 7,900 beds to the

OPERATIONS **REVIEW**

Group's workers accommodation portfolio. ASPRI-Westlite Papan is a partnership between Centurion, the Association of Process Industry ("ASPRI") and Lian Beng Group Limited and is Singapore's first integrated purpose-built workers accommodation with an ASPRI training centre for the process, construction and maintenance industries. With its close proximity to Jurong Island, the training centre offers training modules that cover specific functional skills for carrying out everyday maintenance works on the island. This close proximity also provides workers with more rest time and increased productivity as their accommodation is only a short 12-minute bus journey to the island's checkpoint.

As at 31 December 2016, ASPRI-Westlite Papan has achieved an occupancy rate of c.75%. Its unique offering and close proximity to Jurong Island, coupled with the Group's efforts in marketing, have contributed to the quick ramping up of its occupancy. In addition, Westlite Toh Guan, Westlite Mandai and Westlite Tuas all continued to operate at close to full occupancy, which demonstrates the resilience of the Group's workers accommodation assets under its active management.

In November 2016, the Group was unsuccessful in its appeal against the decision of the Urban Redevelopment Authority, in relation to the discrepancy in the bed capacity of Westlite Toh Guan. Accordingly, the bed capacity of Westlite Toh Guan was reduced by 808 beds to 7,820 beds. The reduction accounts only about 2.3% of the Group's bed capacity in Singapore. Any excess workers can be shifted out to the Group's other workers accommodation assets, subject to the agreement of its customers.

Nonetheless, the Group is confident of maintaining its market position in the purpose-built workers accommodation industry and remains optimistic of the industry's outlook in 2017.

dwell Selegie underwent a refurbishment during the first quarter of 2016 and increased its operational capacity to 332 beds. Strategically located in the Bras Basah-Bugis precinct, coupled with easy accessibility to the various tertiary education institutions in the vicinity, the accommodation continues to be popular with international students. The Group will continue to build on its close relationships with the various educational institutions and is optimistic of maintaining high occupancy for the asset in 2017.

MALAYSIA

Staying on Course and Looking Ahead

As at 31 December 2016, the Group operated seven workers accommodation assets in Malaysia, with a total bed capacity of c.25,300 beds. As the first and only purpose-built workers accommodation owner and operator in Malaysia, the Group has the trust and confidence of its

ASPRI – Westlite Papan

Gym at ASPRI – Westlite Papan

Another view of ASPRI – Westlite Papan

Residents shopping at supermarket

Residents exercising at Outdoor Fitness Corner

OPERATIONS **REVIEW**

dwell Selegie

RMIT Village National Fairy Bread Day

RMIT Village Ball

RMIT Village Christmas Party

clients, who are mostly multinational corporations in the manufacturing sector. This confidence has allowed the Group to maintain a healthy occupancy rate of close to 70%, despite the effects of a softening economy and changes to the foreign labour policies during the year.

In January 2016, the Group commenced operations at Westlite Senai II, which is located in close proximity to the Group's existing Westlite Senai. Westlite Senai II is a 5,900-bed freehold workers accommodation asset comprising four interconnected, five-storey blocks, and together with Westlite Senai, both assets continue to provide quality accommodation to the workers in the surrounding industrial parks.

In the fourth quarter of 2016, the Group completed asset enhancement works in Westlite Tebrau, and refurbished it into an improved apartment-style concept which is sought after by the market. Following the completion of refurbishment works, the total number of beds at Westlite Tebrau stands at c.2,100 beds.

Despite the challenges in Malaysia, including the economic malaise, softening manufacturing sector, weakened ringgit and uncertain foreign labour policies, the Group has maintained an average c.70% occupancy rates across its Malaysian workers accommodation assets. The foreign worker hiring freeze, which was imposed at the start of 2016, was lifted for some sectors such as manufacturing in late 2016, and the Group has seen an improvement in occupancy rates, compared to the decline experienced in the middle of 2016.

Looking ahead, the Group has two new accommodation assets in Penang in its pipeline, which are due to commence operations in 2018. Westlite Bukit Minyak has broken ground, while Westlite Juru is under planning. With the completion of these two assets, they will add another c.12,700 beds to the Group's portfolio.

AUSTRALIA

Healthy Occupancy Rates Underpinned by Strong Demand and Attractive Location

The Group's student accommodation asset in Melbourne – RMIT Village has continued to produce stable returns. The 456-bed accommodation continues to operate at full capacity, largely attributed to its attractive location close to the Central Business District, and two major universities – RMIT University and the University of Melbourne.

As part of its asset enhancement initiative, the Group has finalised its plans to develop a new accommodation block in RMIT Village. Given the healthy demand for and shortage of purpose-built student accommodation in Melbourne, when completed, the asset is expected to perform well and contribute positively to the Group's earnings.

OPERATIONS **REVIEW**

UNITED KINGDOM

Continuing Efforts to Strengthen Operational Capabilities and Grow the Business

As at 31 December 2016, the Group operates a portfolio of eight quality purpose-built student accommodation assets in the UK, including the four newly acquired assets in FY2016. The Group's eight assets have a total bed capacity of approximately 2,420 beds, and operating at close to full occupancy for the 2016/2017 academic year.

The Group's four new accommodation assets are situated across Manchester, Bristol and Newcastle upon Tyne, which added another 519 beds to its portfolio. Aside from the acquisitions, three existing assets in Manchester underwent refurbishment and upgrading works to further enhance yields and the attractiveness of the assets to new students.

In 2016, the UK experienced the result of the European Union referendum vote ("Brexit"). While Brexit seemed to threaten investments in many sectors, the student accommodation sector has remained resilient. This was largely due to the undersupply of purpose-built student accommodation in the UK and the attractiveness of higher education, as seen in the increased acceptance in the 2016/2017 academic year.

As a testament to the Group's successful diversification into student accommodation, all eight of the Group's student accommodation assets in the UK were certified under the Accreditation Network UK National ("ANUK") Code of Standards. The accreditation entails that the assets adhere to a distinct set of standard, ensuring transparency and professionalism in management, thus giving the student residents confidence and assurance of being housed in a quality accommodation.

As part of the Group's continuous efforts to strengthen its operational capabilities for the student accommodation business, all of the Group's student accommodation assets across Singapore and UK are now operating under a new energetic and dynamic brand name "dwell" which was launched on 22 February 2017.

Students at dwell Cathedral Campus

dwell brand launch in Manchester

dwell Cathedral Campus

dwell Brand Launch

MARKET **OUTLOOK**

Operations Team at ASPRI – Weslite Papan

Residents at ASPRI – Weslite Papan

Residents playing pool

Residents exercising at Westlite Senai II

ACCOMMODATION BUSINESS

In 2016, the Group maintained its position as one of the largest purpose-built workers accommodation ("PBWA") owner-operators in Singapore and Malaysia. Having built up its core competencies in developing, owning and maintaining workers accommodation assets, the Group remains confident in strengthening its market position and operating performance in the current financial year.

Centurion's student accommodation business has continued to produce positive results, providing another revenue stream for the Group. With the prior success in its student accommodation portfolio, the Group acquired another four accommodation assets in the United Kingdom ("UK") in 2016, and is confident in the potential of these assets, given the demand for purpose-built student accommodation ("PBSA") in the UK.

The Group has a pipeline of approximately 12,700 more PBWA beds, from Westlite Bukit Minyak and Westlite Juru, both situated in Penang, Malaysia, expected to be completed in 2018. Looking ahead, the Group remains cautiously optimistic of growth prospects, and is focused on maximising the occupancy of its operational assets, while exploring opportunities for strategic investments and asset enhancement.

Accommodation Pipeline (as at 31 December 2016)

Country	Approximate Capacity by Beds	
	Current	Expected (2018)
Workers Accommodation	**60,000**	**72,700**
Singapore	34,700	34,700^
Malaysia	25,300	38,000*
Student Accommodation	**3,200**	**3,200**
Australia	450	450
United Kingdom	2,400	2,400
Singapore	350	350

^ *Including Westlite Tuas, whereby its land lease has been extended until January 2018*

* *Including projects under development or planning if completed as scheduled*

Workers Accommodation – Singapore

The Group is optimistic of the outlook in the PBWA sector in Singapore, underpinned by consistently strong demand for its five workers accommodations, government policies that favour the PBWA sector in the long-run, and continued supply and demand imbalance of beds in the sector.

The Ministry of Trade and Industry ("MTI") announced in February 2017 that the Singapore economy grew by 2% in 2016. For 2017, MTI has maintained the GDP growth forecast at 1% to 3%.

The Building and Construction Authority ("BCA") projects the total construction demand or the value of construction contracts to be awarded in 2017 to reach between $28 billion and $35 billion, higher than the preliminary estimate of $26 billion for 2016.

MARKET **OUTLOOK**

The growth of the Singapore economy and the construction sector would contribute to the sustainability of demand over the number of foreign workers in Singapore in 2017.

The Singapore government has amended some policies that favour the PBWA sector. For instance, with effect from 1 January 2017, non-Malaysian manufacturing workers will not be allowed to rent out entire HDB flats, making PBWA an alternative option for accommodation. Factory-converted dormitories are also facing increasingly stringent guidelines by the authorities, which may cause some operators to exit the market. With the Group's established position in the sector, we believe that stricter guidelines and potential exits from the sector will provide some positives for the Group.

In 2016, the demand for PBWA in Singapore remained stable, underpinned by moderate growth of foreign workers in the country. On the supply of PBWA, according to estimates by the Group, 2016 saw c.57,000 beds introduced into the market, and c.28,000 taken off the market, with the land leases of another c.26,500 beds due to expire in 2017. Of the land leases due for expiry in 2017, some may be renewed.

In March 2017, we received a notification by the MND, that it is prepared to offer Westlite Tuas a 9-month extension of its lease, which was due to expire on 29 April 2017. As advised by MND, we will work with the BCA to facilitate the extension of the lease.

In the near term, the Group is optimistic that its workers accommodation business in Singapore will continue to perform well in 2017, given its established market position and the full year contribution of revenue from newly added assets such as ASPRI-Westlite Papan and Westlite Woodlands.

Workers Accommodation – Malaysia

In Malaysia, while the manufacturing sector has contracted since April 2015, January 2017's Purchasing Managers' Index provides some optimism that the softening could be slowing down. The Group remains confident of its first-mover advantage in the country and the long-term demand for quality PBWA beds, as the Malaysian government amends its policies on foreign workers to meet labour shortages faced by certain sectors.

From January 2017, the Malaysian government has permitted four more industries facing a labour shortage to employ foreign workers. This marks a further relaxation from a hiring freeze imposed early 2016, that was initially relaxed for some industries, including manufacturing.

With effect from 15 February 2017, the government has also allowed for employers, who currently employ illegal foreign workers out of necessity, to register illegal foreign workers in their employment. The registration will allow these workers to work an additional year, as they attain the necessary documents to be given a legal status for working in Malaysia.

The relaxation of a hiring freeze and registration of illegal workers, coupled with the Group's efforts in ramping up its occupancy rates, provides a more positive outlook for Centurion's growth prospects in Malaysia.

Student Accommodation – Australia

In a Jones Lang LaSalle ("JLL") report published in November 2016, the major undersupply for PBSA beds remains in Australia. In Melbourne, where Centurion's sole PBSA asset in Australia is located, JLL's student

ATM at Westlite Mandai

Residents at Westlite Senai II

Volleyball Competition at Westlite Mandai

Sepak Takraw at Westlite Senai II

MARKET **OUTLOOK**

RMIT Village End of Exams Summer Celebration

Guests at dwell Brand Launch

dwell's marketing team

Ribbon Cutting Ceremony of dwell Brand Launch

dwell MSV Reception

accommodation database finds a total of 234,844 full time students matched with an existing supply of only 19,188 beds. Over the next four years, JLL forecasts another 7,900 PBSA beds entering the market, and expects this supply to be easily absorbed.

Given the undersupply of PBSA beds in Melbourne, coupled with a successful booking campaign for the 2017 academic year, the Group expects RMIT Village to operate at close to full occupancy rate for 2017.

As part of its asset enhancement initiative, the Group has finalised its plans to develop a new accommodation block in RMIT Village. Given the healthy demand for purpose-built student accommodation in Melbourne, when completed, the asset is expected to perform well and contribute positively to the Group's earnings.

Student Accommodation – United Kingdom

For the current 2016/2017 academic year, the Group's eight PBSA assets in the UK operate at close to full occupancy, and is confident in maintaining high occupancy rates given the imbalance in demand and supply of PBSA beds.

There is continued demand for PBSA beds as, according to the Universities and Colleges Admissions Services, the 2016/2017 academic year saw an increase of c.7,000 acceptances into UK universities, as compared to the year before. This increase in acceptances calmed fears of the impact from the EU Referendum that took place mid-2016, with the UK remaining among the most popular international student destination in the world, second only to the United States of America. The attractiveness of the UK as a destination for international students is further supported by its number of top ranking universities, according to Savills World Research.

Student Accommodation – Singapore

Following the completion of its first full year of operation, dwell Selegie – in Singapore – maintains a healthy occupancy rate of c.90%. Given its attractive city location and close proximity to various education institutions, the Group is confident that it can maintain a healthy occupancy rate in 2017.

The Group will look to continue building on its close relationships with the various educational institutions in marketing the asset and ensuring healthy occupancy rates for coming academic years.

BUILDING GROWTH MOMEMTUM

In spite of global economic headwinds, the Group is confident of maintaining its market position in the workers accommodation business in Singapore and Malaysia, underpinned by policies that favour the PBWA sector. Similarly, with most of its student accommodation assets operating at close to full capacity, the Group's outlook for this resilient business segment remains positive.

Moving forward, the Group is cautiously optimistic of its business prospects for the mid- to long-term, and will remain on the lookout for asset enhancement and investment opportunities in its commitment to continue delivering value to the Group's shareholders.

CORPORATE SUSTAINABILITY AND RESPONSIBILITY

As one of the leading providers of worker's accommodation in Singapore and Malaysia, we believe that our core business is not just about running a business of housing workers, but also housing them in a safe and welcoming accommodation. This has been a core business philosophy since we began housing workers in 2011. We have likewise endeavored to replicate and adapt this ethos into our student accommodation assets as we cultivate active community living that is inclusive, diverse and dynamic amongst our residents.

Besides caring for our residents, we are also cognizant of the needs of the local communities and environment that surround our accommodation assets. We do this through engaging local residents, supporting local charitable organisations, and reducing potential negative environmental impact from our business operations.

Over the past two years, we have added a softer touch to our Westlite workers accommodation assets in Singapore by employing Mr Lee Wei Kong as a full-time artist to paint murals on the walls of our properties. Wei Kong was a promising junior college student and rugby captain till a severe traffic accident 12 years ago that impacted his mental functionality. Since joining us, Wei Kong has successfully completed a significant number of murals for across our assets, enhancing the ambience, look and feel of the environment. We have received positive feedback from our residents. We look forward to further engaging with Wei Kong in this and other areas to express his artistic talent.

ASPRI – Weslite Papan

Mr Lee Wei Kong has completed painting several murals on the walls of various Westlite properties

COMMUNITY LIVING INITIATIVES

Our residents are an important aspect to our business and we want to ensure that they feel welcomed within the community of their residence as well as the community at-large.

Workers Accommodation

The residents in our purpose-built workers accommodation assets ("PBWA") hail from various countries, coming to Singapore and Malaysia with the hope of earning a decent living for their families at home. Hence, we look to provide them with quality accommodation, equipped with amenities and facilities that not only serve their daily requirements but enhance their stay. The supermarkets are well stocked with both local and their own countries' food and sundries, food courts with stalls of their country's local foods, medical clinics, remittance agencies, haircut facilities, laundromats, ATM and more.

Westlite Woodlands Cricket Competition

We partner with external specialised agencies to extend the range of care and community for our residents. Through the Seven Day Adventist and Methodist Welfare Services, we offer pastoral counselling to our residents who face family or personal struggles such as various forms of addictions. They have also been called upon to extend help when tragedy struck in their home country's village, cities or families.

Another partnership is with HealthServe, a non-profit organisation committed to helping migrant workers by making healthcare accessible to them. Our accommodation, Westlite Mandai, plays host to HealthServe's third community clinic, which operates every Saturday evening and offers general practitioner services to the c.6,300 residents of Westlite Mandai, as well as migrant workers from the neighbourhood. They will start another clinic at ASPRI-Westlite Papan shortly. Both clinics will also incorporate dental clinics and all charges are at very nominal rates.

HealthServe Games Carnival at Westlite Papan

CORPORATE SUSTAINABILITY
AND RESPONSIBILITY


Westlite Tuas Medical Screening


Westlite Toh Guan Project Chulia Street


Residents visiting Petronas Towers


CNY Excursion to Kuala Lumpur

In the past year, we have also deepened our partnership with HealthServe, by involving collaborations with education institutions. In the first quarter of 2016, medical students from Monash University conducted health screenings for approximately 200 residents at Westlite Mandai. We also partnered with National University of Singapore and Ngee Ann Polytechnic to carry out health and eye screenings for residents. Through such screenings, residents found to have high blood pressure and eye issues were referred to a network of pro bono doctors for further medical treatment.

At Westlite Toh Guan, we have a commercially run medical clinic, Bewell Clinic, which offers medical consultation and treatment to our residents at subsidised rates. We also work with St Andrews Community Hospital and the Seventh Day Adventist Church to provide two free medical screenings for our residents at each Westlite workers accommodation asset annually.

Throughout the year, we also celebrate various events with our residents and engage the community-at-large to make our residents feel more welcome during their stay in Singapore. In the last three years, we have organised short excursions to Malaysia over the Lunar New Year weekend for 250 residents yearly from our five workers accommodation assets in Singapore. The residents, hailing from India, Bangladesh and China, visited various tourist spots in Malaysia, such as the Petronas Twin Towers, Batu Caves, Putrajaya, and Genting Highlands. Many were very appreciative of the trips as they have never been to Malaysia.

In May, we celebrated Labour Day with residents in two of our accommodation assets in Singapore in collaboration with a variety of partners.

The event at Westlite Toh Guan, Labour Day Food Fair, was organised by Project Chulia Street, a privately-funded initiative which brings together entities and likeminded individuals for projects that enhance the diet, health and well-being of migrant workers in Singapore. We are thankful for the enthusiastic support provided by our partners, which included 45Rice, Kerbside Gourmet, Kuhlbarra, NPE Print Communications, National Volunteer & Philanthropy Centre, The Silent Foundation and volunteers, who were on site to distribute food and organise activities for our residents.

In Westlite Mandai, we teamed up again with Project Chulia Street, together with other partners such as HealthServe, Ben & Jerry's and volunteers for an art and story showcase, organised by Ms Kari Tamura and Mr Calvin Tay – "*SAMASAMA: Redefining Migrant Workers*." The showcase was held over three days and included an art installation on migrant workers in Singapore by Mr Tay, as well as a guided tour of Westlite Mandai. On Labour Day itself, visitors also had an opportunity to enjoy the specially-catered dinner with the residents.

For International Migrants Day held in December 2016, we collaborated with Project Chulia Street to organise a celebratory event which included a games carnival and festive food. The event attracted more than 120 volunteers who distributed the food to over 6,000 residents in Westlite Tuas. HealthServe also provided medical screening for residents at the event.

CORPORATE SUSTAINABILITY AND RESPONSIBILITY

In addition to celebrating events with our worker residents, we have partnered with organisations to provide opportunities to enrich them and upgrade their skills. In our newest PBWA, ASPRI-Westlite Papan, Association of Process Industry ("ASPRI") offers training courses to the residents who will receive up to 48 subsidised training hours annually, and they can select from a variety of training courses, including English lessons and industry-specific training.

In Malaysia, our efforts in giving back to the community have been recognised in the form of the Project Greenback 2.0 Johor Bahru Gold Partner Award (2015-2016). This award was awarded to the Group for its continuous support in assisting Project Greenback, an initiative by the Bank Negara Malaysia and the World Bank, to understand issues faced by consumers, as well as to look out for migrant communities in Malaysia. In addition, Westlite collaborated with the Project Greenback project team to conduct awareness programmes for its residents.

Student Accommodation

Caring for our student residents, much like our worker residents, is based on the same principles of making them feel welcomed in their "home away from home". We host social and community events throughout the year, and across our student accommodation assets with the aim of benefiting both our student residents, and the community-at-large.

In RMIT Village, Australia, we celebrate events, such as Halloween, End-of-term, Christmas, and Mid-autumn Festival, with our residents to encourage a vibrant community and a spirit of camaraderie. RMIT Village also provides ways to enrich our residents with fortnightly study sessions, fitness classes and tours for newcomers. In engaging the local community, we have involved our residents in a nationally accredited charity – *Swags for Homeless*.

Across our student accommodation assets in the United Kingdom, we celebrate special occasions with our residents, such as Lunar New Year, Valentine's Day, Mothers' Day and Christmas. dwell MSV and dwell Cathedral Campus have also held events to raise money for charities *Children in Need* and *Sport Relief*.

In dwell Selegie's first full year of operation, we focused on promoting bonding among the residents through celebrating local festivities, such as Lunar New Year and Mid-Autumn Festival. Students were also treated to some local delicacies and folklore.

Through these activities and initiatives, we hope to allow both our workers and student residents, to mingle in a community that they feel safe in. On top of that, we also look to roll out more initiatives that enrich our residents, as well as give back to worthy causes across the community where our portfolio of workers and student accommodation assets are based.

ENVIRONMENTAL INITIATIVES

We remain conscientious on reducing our impact on the environment, and continue to identify ways to integrate sustainable development features in the development and maintenance of our accommodation assets.

Labour Day Food Fair at Westlite Toh Guan

RMIT Village Orientation Week

dwell MSV Mother's Day

dwell Selegie Mid Autumn Festival

CORPORATE SUSTAINABILITY
AND RESPONSIBILITY

2016 Centurion DND

Westlite Tuas Dragon Boat Orientation

Down Syndrome Association of Singapore Buddy Walk

Centurion Charity Tree

Over the years, we have taken great care in designing and planning the buildings, such as providing sun shade and tinted glazing with high shading coefficient. We also make use of passive designs to minimise west-facing façades and the number of windows facing the afternoon sun, while maximising and channelling wind to the inner spaces within the developments. Where possible, we create naturally ventilated circulation spaces within confined spaces, such as covered car parks, common corridors and within accommodation units. Lastly, to improve air quality, we use paint with low volatile organic compounds for internal spaces, and enamel paint for common walkways to minimise maintenance cleaning.

In reducing the use of artificial lighting, we have designed the common areas of our workers accommodation to maximise the use of natural light. We also installed energy saving LED light fittings which are timer-controlled and alternate circuits, which are designed to regulate electricity consumption at common areas during different times of the day.

Additionally, we ensure that the daily operations of our accommodation assets are environmentally-friendly through the use of various energy efficient mechanical and electrical systems to help manage operational cost. One example is our lifts, which operate on a variable voltage and variable frequency ("VVVF") motor drive with sleep mode features to help reduce electricity usage. Our latest PBWA in Singapore, ASPRI-Westlite Papan uses innovative energy-efficient air-conditioning systems and certified water fittings to better manage water usage.

ENGAGING THE WIDER COMMUNITY

Besides caring for its residents, the Group also believes in proactive engagement with the wider community, by adopting and supporting meaningful causes that are synonymous of Centurion's core values of "management with a heart". In FY2016, the Group provided financial assistance to various voluntary welfare organisations in Singapore, as well as encouraged and supported its employees in giving their time and attention to several charitable causes and events.

One such event was Charity Golf 2016, which was organised by Focus on the Family Singapore Limited. The Group was a corporate sponsor to the golfing event, held at the Singapore Island Country Club's latest course, where funds were raised to support the organisation's work of helping families thrive.

In the last few months of 2016, the Group was also recognised as a corporate sponsor of ChariTrees @ Marina Bay 2016, which was organised by SRC, Community Chest and Nucleus Events Production. The event raised funds dedicated to helping the less fortunate in Singapore under the purview of SRC and Community Chest.

The Group is also a regular supporter of the Singapore Down Syndrome Association. Besides making corporate donations to the association in the past year, Centurion also encouraged its management and employees to participate in the World Down Syndrome Day Buddy Walk and Carnival 2017, which was held on 18 March 2017 to raise funds to provide educational, social and development programmes for people with Down Syndrome, as well as assistance to their families.

INVESTOR **RELATIONS**

ENGAGING THE INVESTOR COMMUNITY

At Centurion, we believe in creating long-term value for stakeholders though our established track record and commitment to a high standard of corporate governance.

In addition to being guided by the principles of transparency and accountability, we are also dedicated to fulfilling the expectations of our diverse stakeholders, ranging from regulatory agencies to minority shareholders. Furthermore, we continue to support the efforts by the Securities Investors Association Singapore ("SIAS") to promote the "Good Corporate Governance Policies" initiative, as we believe that it is in line with our commitment to uphold high standards in accountability and disclosure. SIAS aims to instill fair corporate governance practices, through this initiative, which are critical in safeguarding financial markets and the economy.

We fully understand the need to share timely and accurate information about the Group with our shareholders and the investment community, so as to enable a transparent assessment of the company's value. All Centurion's corporate announcements, press releases and presentation slides are accessible from the Singapore Exchange website (www.sgx.com) and our corporate website (www.centurioncorp.com.sg). Our website also offers an email alert service, which the public, analysts, shareholders and potential investors can sign up for the notifications on the latest corporate announcements and Singapore Exchange filings.

In addition, we understand the importance of engaging investor relations ("IR") on a more personal level. Under our IR programme, we look to reach out to our stakeholders through multiple platforms including half-yearly face-to-face results briefings, post-results conference calls, one-on-one and small group investor meetings, non-deal road shows and investor luncheons.

Coverage from analysts remains an important source of information for institutional and retail investors. Hence, we maintained our engagement with equity research houses, allowing them to better understand the Group's business, and reflecting accurate information in their coverage reports. In recent years, there are five research houses which have covered Centurion Corporation Limited.

2016 UOB Kay Hian Corporate Day

Maybank Kim Eng Investor Conference

Centurion AGM

INVESTOR RELATIONS

Research House	Coverage Commencement
DBS Vickers	October 2013
RHB Research	February 2014
UOB Kay Hian	April 2014
Maybank Kim Eng Research	March 2015
Phillip Securities Research	November 2016

Centurion 2016 AGM

2016 / 2017 INVESTOR RELATIONS CALENDAR

Month	Event
January 2016	Credit Suisse 7th ASEAN Investor Conference (Singapore)
February 2016	4Q/FY2015 Results Announcement | Analysts & Media Briefing
April 2016	FY2015 Annual General Meeting and Extraordinary General Meeting Maybank Kim Eng Invest ASEAN 2016 Conference (Singapore)
May 2016	1Q 2016 Results Announcement
August 2016	2Q/1H 2016 Results Announcement I Analysts & Media Briefing
October 2016	UOB Kay Hian Asian Gems Conference (Singapore)
November 2016	3Q 2016 Results Announcement
January 2017	Credit Suisse 8th ASEAN Investor Conference (Singapore)
February 2017	4Q/FY2016 Results Announcement
March 2017	4Q/FY2016 Analysts & Media Briefing
April 2017	FY2016 Annual General Meeting

COMPANY SHARE INFORMATION

Stock Code (SGX)	OU8
Closing Price (as at 31 December 2016)	S$0.330
Market Capitalisation (as at 31 December 2016)	S$244.2 million
Closing Price Range (FY2016)	S$0.310 – S$0.390

Source: Bloomberg

INVESTOR RELATIONS CONTACT

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

GROUP STRUCTURE

Covering Core Subsidiaries and Associates (as at 31 December 2016)

CORE SUBSIDIARIES AND ASSOCIATES

(as at 31 December 2016)

SINGAPORE

CENTURION DORMITORIES PTE LTD
WESTLITE DORMITORY MANAGEMENT PTE LTD

45 Ubi Road 1 #05-01
Singapore 408696
Tel : (65) 6745 3288
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WESTLITE DORMITORY (TOH GUAN) PTE LTD

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Westlite Dormitory
Singapore 608596
Tel : (65) 6316 3018
Fax : (65) 6316 3020
Email : enquiry@westlite.com.sg
Website : www.westlite.com.sg

WESTLITE DORMITORY (TUAS) PTE LTD

90 Tuas South Avenue 9
Tuas Lodge 1
Singapore 637397
Tel : (65) 6899 9988
Fax : (65) 6898 9988
Email : enquiry@westlite.com.sg
Website : www.westlite.com.sg

WESTLITE DORMITORY (WOODLANDS) PTE LTD

2 Woodlands Sector 2
Singapore 737723
Tel : (65) 6250 6616
Fax : (65) 6250 3787
Email : enquiry@westlite.com.sg
Website : www.westlite.com.sg

CSL STUDENT LIVING (SELEGIE) PTE LTD

1A Short Street
Singapore 188210
Tel : (65) 6238 6339
Fax : (65) 6238 1178
Email : enquiries@dwellstudent.com.sg
Website : www.dwellstudent.com.sg

CENTURION – LIAN BENG (PAPAN) PTE LTD

5C Jalan Papan #02-29
Singapore 619420
Tel : (65) 6255 1028
Fax : (65) 6250 2261
Email : enquiry@westlitepapan.com.sg
Website : www.westlitepapan.com.sg

LIAN BENG-CENTURION (DORMITORY) PTE LTD

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

SM SUMMIT HOLDINGS PTE LTD
SUMMIT CD MANUFACTURE PTE LTD

45 Ubi Road 1 #05-01
Singapore 408696
Tel : (65) 6745 3288
Fax : (65) 6748 9612
Email : enquiry@smsummit.com.sg
Website : www.centurioncorp.com.sg
www.smsummit.com.sg

MALAYSIA

CENTURION DORMITORIES SDN BHD
WESTLITE DORMITORY MANAGEMENT SDN BHD
WLC MANAGEMENT SERVICES SDN BHD

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AUSTRALIA

CENTURION STUDENT SERVICES PTY LTD

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Email : info@rmitvillage.com.au
Website : www.rmitvillage.com.au

UNITED KINGDOM

CENTURION STUDENT SERVICES (UK) LTD

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Tel : +44 (0) 161 200 5560 Fax : +44 (0) 161 236 6045
Email : salesenquiries@dwellstudent.co.uk
Website : www.dwellstudent.co.uk

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Non-Executive:

Wong Kok Hoe (Non-Executive Chairman)
Loh Kim Kang David
Han Seng Juan

Independent Non-Executive:

Gn Hiang Meng (Lead Independent Director)
Chandra Mohan s/o Rethnam
Owi Kek Hean (appointed on 1 January 2017)

AUDIT COMMITTEE

Gn Hiang Meng (Chairman)
Chandra Mohan s/o Rethnam
Wong Kok Hoe (resigned on 1 January 2017)
Owi Kek Hean (appointed on 1 January 2017)

NOMINATING COMMITTEE

Gn Hiang Meng (Chairman)
Chandra Mohan s/o Rethnam
Wong Kok Hoe (resigned on 1 January 2017)
Owi Kek Hean (appointed on 1 January 2017)

REMUNERATION COMMITTEE

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

COMPANY SECRETARIES

Hazel Chia Luang Chew
Juliana Tan Beng Hwee

REGISTERED OFFICE

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Email : enquiry@centurioncorp.com.sg

SHARE REGISTRAR AND WARRANT AGENT

B.A.C.S. Private Limited
8 Robinson Road #03-00
ASO Building
Singapore 048544
Tel : (65) 6593 4848
Fax : (65) 6593 4847

AUDITORS

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

AUDIT PARTNER-IN-CHARGE

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

CORPORATE **GOVERNANCE REPORT**

Centurion Corporation Limited (the "Company" and together with its subsidiaries, the "Group") is committed to good standards of corporate governance and business conduct in order to enhance the interest of shareholders and has adopted the principles and practices of corporate governance in line with the recommendations of the Code of Corporate Governance 2012 (the "2012 Code").

BOARD MATTERS

The Board's Conduct of Affairs – *Principle 1*

The Board oversees the businesses and affairs of the Group and the Company and Management. The Board provides entrepreneurial leadership, sets strategic direction for the Company and reviews the operational and financial performance of the Group to enable the Group to meet its objectives. The Board has adopted a formal document setting out specific matters which are reserved for the Board's approval. These include approval of the Group's strategic business plans, annual budgets, major investments and financing decisions and appointment of Directors and key management personnel.

The Board also considers sustainability issues including environmental and social factors and has overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems, internal control to safeguard shareholders' interest and the Group's assets. Management has also been given clear directions on matters that require Board's approval.

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

Board Meetings

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

Directors' Attendance

Details of Directors' attendance at Board and Board Committee meetings held in the financial year ended 31 December 2016 ("FY2016") are summarized in the table below:

	Board of Directors		Audit Committee		Nominating Committee		Remuneration Committee	
Name	No. Of Meetings Held	No. Of Meetings Attended	No. Of Meetings Held	No. Of Meetings Attended	No. Of Meetings Held	No. Of Meetings Attended	No. Of Meetings Held	No. Of Meetings Attended
Wong Kok Hoe	7	7	6	6	1	1	3	3
Chandra Mohan s/o Rethnam	7	7	6	6	1	1	3	3
Gn Hiang Meng	7	7	6	6	1	1	3	3
Loh Kim Kang David	7	7	–	–	–	–	–	–
Han Seng Juan	7	7	–	–	–	–	–	–
Owi Kek Hean	*	–	*	–	*	–	–	–

Note:

* Owi Kek Hean was appointed a Director on 1 January 2017. He was also appointed a member of the Audit and Nominating Committees in place of Wong Kok Hoe on 1 January 2017.

Director Orientation and Training

The Company has in place orientation programmes for newly appointed Directors to ensure that they are familiar with the Group structure, and the Company's business and operations. Newly appointed Director, if any, will participate in an orientation programme which includes meeting with the Chairman and/or Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to obtain an understanding of the affairs of the Group's business. Each newly appointed Director will be provided a letter of appointment setting out his duties and obligations.

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

Owi Kek Hean, who was appointed to the Board in January 2017, was briefed by the CEO on the Group's business and operations. He will be attending relevant training courses to familiarise himself with the roles and responsibilities as a Director of a listed company in Singapore.

During FY2016, Mr Chandra Mohan attended a course – Corporate Governance Roundup 2016, conducted by Singapore Institute of Directors and all the Directors attended a Briefing on Sustainability Reporting conducted by BDO LLP.

During the year under review, the Directors have also been briefed and/or provided with updates, *inter alia*, on key changes to regulatory requirements, developments in financial reporting standards and sustainability reporting.

Board Composition and Guidance – *Principle 2*

As at the date of this report, the Board comprises 6 members, all of whom are Non-Executive and/or Independent Directors, as follows:

Wong Kok Hoe (Chairman)	–	Non-Executive Director
Loh Kim Kang David	–	Non-Executive Director
Han Seng Juan	–	Non-Executive Director
Gn Hiang Meng	–	Lead Independent Director
Chandra Mohan s/o Rethnam	–	Non-Executive Independent Director
Owi Kek Hean	–	Non-Executive Independent Director

Currently, the Company does not have any Executive Director.

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

Key information regarding the Directors, including their appointment dates, date of last re-appointment as a Director, directorships or chairmanships in other listed companies held in the past 3 years and other principal commitments, if any, are set out in the section entitled "Board of Directors" on pages 8 to 9 in this Annual Report. In addition, information on shareholdings held by each Director in the Company can be found on page 60 in this Annual Report.

The Nominating Committee had reviewed the independence of each Director for FY2016 in accordance with the 2012 Code's definition of independence and is satisfied that at least one-third of the Board comprises Non-Executive Independent Directors. With effect from 1 January 2017, half of the Board comprises Non-Executive Independent Directors.

The Non-Executive Independent Directors are not related to and do not have any relationship with the Company, its related corporations, its 10% shareholders, or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgement in the best interests of the Company.

In respect of the Independent Directors, namely, Gn Hiang Meng and Chandra Mohan s/o Rethnam, who have served on the Board of the Company more than 9 years from the date of their first appointments on 17 May 2007, the Nominating Committee had reviewed and confirmed that they continue to be independent after taking into consideration the following factors:

(i) Both Mr Gn and Mr Chandra Mohan have provided very valuable contributions to the Board through their integrity, objectivity and professionalism notwithstanding the years of service.

(ii) Both Mr Gn and Mr Chandra Mohan have expressed succinctly and objectively their views on issues and provided relevant and invaluable input.

(iii) Both Mr Gn and Mr Chandra Mohan have demonstrated strong independence in character and judgement in the discharge of their Directors' duties.

(iv) They have continued to provide overall guidance to Management and in protecting the Company's assets and upholding the interests of all shareholders, in particular, non-controlling shareholders.

Each of Mr Gn and Mr Chandra Mohan, being Nominating Committee members, had abstained from deliberation and voting in respect of the assessment on his own independence.

Accordingly, the Nominating Committee had recommended to the Board that both Gn Hiang Meng and Chandra Mohan s/o Rethnam to continue to be considered Independent Directors. After due consideration, the Board has resolved that Mr Gn and Mr Chandra Mohan continue to be considered Independent Directors.

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

The Non-Executive Directors meet regularly without the presence of Management.

Chairman and Chief Executive Officer – *Principle 3*

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

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

The CEO, assisted by the various functional directors and senior management, manages and is responsible for the Group's day-to-day operations and business. The CEO also bears executive responsibility for the Group's business and implements the Board's decisions.

Gn Hiang Meng is the Lead Independent Director ("LID") and he is available to shareholders should they have concerns for which contact through the Chairman, CEO or CFO is inappropriate.

Board Membership – *Principle 4*

The Board reviews the composition of the Board and Board Committees regularly. In line with good corporate practices, the management team is separate from the Board of Directors.

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

The Board does not have any alternate directors.

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

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

Under the Company's Constitution, Wong Kok Hoe, Chandra Mohan s/o Rethnam and Owi Kek Hean will be due for re-election at the forthcoming AGM.

The Nominating Committee has recommended the re-appointment of Wong Kok Hoe, Chandra Mohan s/o Rethnam and Owi Kek Hean, who will be retiring at the forthcoming AGM, as Directors following a review of their performance and contributions and taking into account the participation and attendance of these Directors at Board and Board Committee meetings, as appropriate.

The Board has accepted the Nominating Committee's recommendation and accordingly, the above-named Directors will be offering themselves for re-election. The relevant information on each of the above-named Director is presented in the section entitled "Board of Directors" on pages 8 to 9 of the Annual Report.

The Nominating Committee has ascertained that for the period under review, the Non-Executive Directors and Independent Directors have given sufficient time and attention to the affairs of the Group.

BOARD COMMITTEES

To assist the Board in the execution of its duties, the Board has delegated specific functions to 3 Board Committees, namely, Audit Committee, Nominating Committee and Remuneration Committee.

Nominating Committee

As at the date of this report, the Nominating Committee ("NC"), regulated by a set of written terms of reference, comprises 3 members, all of whom are Non-Executive Independent Directors, as follows:

Gn Hiang Meng (Chairman)	–	Non-Executive Independent Director
Chandra Mohan s/o Rethnam	–	Non-Executive Independent Director
Owi Kek Hean	–	Non-Executive Independent Director

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

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

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

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

- assesses the effectiveness of the Board as a whole;
- reviews and nominates newly appointed Directors and Directors retiring by rotation, having regard to their contributions and performance, for re-election at each AGM;
- reviews and recommends all new appointments to the Board;
- reviews and recommends all appointments of senior management staff (who are not for appointment to the Board);
- determines on an annual basis the independence of each Director;

- decides whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when the Director has multiple Board representations;

- identifies gaps in the mix of skills, experience and other qualities required in an effective Board so as to better nominate or recommend suitable candidates to fill the gaps;

- reviews Board succession plans for Directors, in particular, the Chairman and CEO; and

- reviews training and professional development programmes for the Board.

Board Performance – *Principle 5*

The NC has adopted a formal process of evaluating the performance of the Board as a whole. This process involves the completion of a questionnaire by Board members. A summary of findings is prepared based on the completed questionnaires and is reviewed and deliberated by the NC. The Chairman of the NC confers with the Chairman of the Board on the findings and appropriate follow-up actions are taken as necessary.

A Board performance evaluation was carried out to assess and evaluate, amongst other things, the Board's composition, size and expertise, timeliness of Board information, accountability and processes. No external facilitator had been engaged by the Board for this purpose.

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

Access to Information – *Principle 6*

The Directors are provided with sufficient information including information on financial performance of the Group on a quarterly basis and have separate and independent access to Management of the Group. The CEO also updates the Board on a quarterly basis highlighting the performance, business conditions and outlook of the Group. Directors are entitled to request from the CEO or Management and provided with such additional information as needed to make informed and timely decisions.

The Directors have separate and independent access to the Company Secretaries and Management at all times. The Company Secretary(ies) attend(s) Board and Board Committee meetings, where appropriate, and provides advice, secretarial support and assistance to the Board and ensures adherence to the Board procedures and relevant rules and regulations applicable to the Company. Under the Constitution of the Company, the decision to appoint or remove the Company Secretary(ies) is subject to the approval of the Board.

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

Remuneration Committee

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

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

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

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies – *Principle 7*

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

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

- reviews the remuneration policies and packages for key management personnel on an annual basis.

The RC's review covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, and benefits-in-kind.

The RC has access to the Company's internal human resource department to assist in its review. The RC from time to time seek advice from external remuneration consultants, who are unrelated to the Directors and any organisation they are associated with, as well as confidentially from selected senior management, including the Head of Human Resources, at its discretion. The Company did not appoint any external remuneration consultants in FY2016.

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

Level and Mix of Remuneration – *Principle 8*

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

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

The Board will table the Directors' fees in respect of FY2016 for shareholders' approval at the forthcoming AGM.

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

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

Disclosure on Remuneration – *Principle 9*

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

Directors' and CEO's Remuneration

The aggregate remuneration paid to the Directors and CEO (who is not Director) was S$1,306,000.

Breakdown (in percentage terms) of the remuneration paid to the Directors and CEO (who is not Director) for FY2016 is set out below:

Name	**Director's fees (%)**	**Salary (%)**	**Bonus (%)**	**Other Benefits (%)**	**Total (%)**
CEO (who is not Director)					
S$750,000 to below S$1,000,000					
Kong Chee Min	N.A	39	59	2	100
Directors					
Below S$250,000					
Chandra Mohan s/o Rethnam	100	0	0	0	100
Gn Hiang Meng	100	0	0	0	100
Han Seng Juan	100	0	0	0	100
Loh Kim Kang David	100	0	0	0	100
Wong Kok Hoe	100	0	0	0	100
Owi Kek Hean	N.A	N.A	N.A	N.A	N.A

Note:

Owi Kek Hean was appointed a Non-Executive Independent Director on 1 January 2017.

Remuneration of Key Management Personnel

The aggregate remuneration paid to the top six key management personnel (who are not Directors or the CEO) was S$2,667,000.

Breakdown (in percentage terms) of the annual remuneration paid to each of the top six key management personnel (who are not Directors or the CEO) is set out below:

Name	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
S$750,000 to below S$1,000,000				
Teo Peng Kwang Kelvin	35	62	3	100
S$250,000 to below S$500,000				
Ho Lip Chin	65	32	3	100
Lee Kerk Chong	85	6	9	100
Leong Siew Fatt	65	32	3	100
Tony Bin Hee Din	36	61	3	100
Below S$250,000				
Foo Ai Huey	72	25	3	100

Save for Tony Bin Hee Din (Executive Director, Accommodation Business), who is the brother-in-law of Mr Loh Kim Kang David (Non-Executive Director), there was no employee of the Group who was an immediate family member of a Director or the CEO and whose annual remuneration exceeded S$50,000 during the year under review. Remuneration of immediate family members of Directors is subject to the RC's annual review. Due to competitive and confidential reasons, the Board has decided not to disclose his remuneration in incremental bands of S$50,000 but in incremental bands of S$250,000.

There are no termination, retirement and post-employment benefits granted to Directors, the CEO and the top key management personnel (who are not Directors or the CEO).

ACCOUNTABILITY AND AUDIT

Accountability – *Principle 10*

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

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

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

Risk Management and Internal Controls – *Principle 11*

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

The Board has approved a Group Enterprise Risk Management Framework for the identification of key risk within the Group's businesses, which has adopted and aligned with the Committee of Sponsoring Organisations of the Treadway Commission Internal Controls Integrated Framework. The Enterprise Risk Management Framework sets out a systematic and ongoing process to identify and assess risk and defines how risk information (including risk mitigation action plans) is collected, monitored and reported to Management, Audit Committee ("AC") and Board on a regular and timely basis.

The Board has delegated the AC to assist in its oversight of the risk management framework, policies and processes.

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

- reviews and recommends risk management strategies and policies, and risk tolerance for the Board's approval;

- reviews and assesses the adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks, as well as the extent to which these policies and framework are operating effectively;

- ensures that adequate infrastructure, resources and systems are in place for an effective risk management, i.e. ensuring that staff responsible for implementing risk management systems performs those duties independent of the Group's risk taking activities; and

- provides risk oversight and reviews risk profiles of the Group.

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

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

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

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

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

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

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

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

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management systems and internal controls addressing financial, operational, compliance and information technology risks were adequate and effective for FY2016.

Audit Committee – *Principle 12*

As at the date of this report, the AC, regulated by a set of written terms of reference, comprises 3 members, all of whom are Non-Executive Independent Directors, as follows:

Gn Hiang Meng (Chairman)	–	Non-Executive Independent Director
Chandra Mohan s/o Rethnam	–	Non-Executive Independent Director
Owi Kek Hean	–	Non-Executive Independent Director

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

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

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

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

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

The AC also performs the following key functions:

- reviews the audit scope, approach and results of the external auditors;
- evaluates the overall effectiveness of both the internal and external audits through regular meetings with the internal and external auditors;
- reviews the adequacy of the internal audit function;
- determines that no restrictions are being placed by Management upon the work of the internal and external auditors;

- evaluates the adequacy of the internal control systems of the Group by reviewing written reports from the internal and external auditors, and Management's responses and actions to address any deficiencies noted;
- evaluates the adherence to the Group's administrative, operating and internal accounting controls;
- reviews the quarterly and full-year financial statements of the Company and the Group before submission to the Board for approval;
- reviews interested person transactions in accordance with the requirements of the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") and all potential conflicts of interests;
- reviews transactions by the Company, principally acquisitions and realizations, in accordance with the requirements of the Listing Rules of SGX-ST;
- ensures proper measures to mitigate any conflicts of interests have been put in place;
- reviews and approves all hedging policies and types of hedging instruments to be implemented by the Group, if any;
- reviews all non-audit services provided by the external auditors to determine if the provision of such services would affect the independence of the external auditors;
- reviews and recommends the appointment or re-appointment of the external auditors; and
- considers other matters as requested by the Board.

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

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

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

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

The AC assesses the independence of the external auditors, PricewaterhouseCoopers LLP, annually. The AC has reviewed the non-audit services provided by the external auditors and is of the opinion that the provision of such services as well as the fees paid for FY2016 does not affect their independence.

The aggregate amount of fees paid/payable to the external auditors for FY2016 are as follows:

	S$'000
Audit fees	454
Non-audit fees	196
Total fees	650

The AC has reviewed and confirmed that the Company has complied with Rules 712, 715 and 716 of the Listing Manual of SGX-ST in relation to the appointment of auditors of the Company, its subsidiaries and significant associated companies.

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

Internal Audit – *Principle 13*

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

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

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

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

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights – *Principle 14*

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

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

Communication with Shareholders – *Principle 15*

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

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

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

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

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

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

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

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

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

The Company does not currently have a formal policy on payment of dividends to shareholders. The Group, however, plans to declare dividends on a half-yearly basis to reward shareholders taking into consideration the Group's annual profitability, cashflow requirements for its business expansion and retained earnings, as well as any other factors deemed relevant by the Directors.

To show the Company's appreciation for its shareholders' long term support, the Board is recommending a final dividend payout of S$0.01 per ordinary share, to be approved by shareholders at the forthcoming AGM. Together with the interim dividend payment of S$0.01 per ordinary share during the year, this brings the total dividend payment in FY2016 to S$0.02 per ordinary share.

Conduct of Shareholder Meetings – *Principle 16*

The Company encourages shareholder participation at general meetings of shareholders.

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

Issues seeking approval of shareholders, if any, are usually tabled as separate resolutions. All polls for AGMs and other General Meetings are conducted in the presence of independent scrutineers. The results of the poll voting are announced at the meeting and made via SGXNet on the same day as the meeting.

Minutes of AGMs and other General Meetings are prepared and made available to shareholders upon their written request.

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

INTERESTED PERSON TRANSACTIONS

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

The aggregate values of interested person transactions entered into during FY2016 were less than S$100,000. The Company does not have a shareholders' mandate for interested person transactions.

DEALINGS IN THE COMPANY'S SECURITIES

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

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

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

MATERIAL CONTRACTS

No material contracts were entered between the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling shareholder during or at the end of the financial year ended 31 December 2016.

USE OF PROCEEDS FROM THE EXERCISE OF BONUS WARRANTS

On 28 October 2013, the Company issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of one warrant for every ten existing ordinary shares in the capital of the Company held by entitled shareholders. Each warrant carries the right to subscribe for one ordinary share in the capital of the Company at an exercise price of S$0.50 for each ordinary share. Each warrant may be exercised at any time during the period of four years commencing on and including the date of issue of the warrants and expiring on the date immediately preceding the fourth anniversary of the date of issue of the warrants, that is 27 October 2017. The Company has issued a total of 812,497 new ordinary shares pursuant to the exercise of warrants and net proceeds of S$406,249 received in connection therewith had not been utilised to-date. During the financial year under review, there was no exercise of warrants.

FINANCIAL REPORT

DIRECTORS' **STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2016 and the balance sheet of the Company as at 31 December 2016.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 67 to 153 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

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

DIRECTORS

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

Wong Kok Hoe
Chandra Mohan s/o Rethnam
Gn Hiang Meng
Han Seng Juan
Loh Kim Kang David
Owi Kek Hean (Appointed on 1 January 2017)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2016	At 1.1.2016	**At 31.12.2016**	At 1.1.2016
Centurion Corporation Limited				
(No. of ordinary shares)				
Gn Hiang Meng	**–**	–	**225,000**	225,000
Loh Kim Kang David	**14,553,900**	9,713,500	**398,869,206**	398,869,206
Han Seng Juan	**3,672,000**	3,072,000	**406,094,206**	406,094,206
Ultimate Holding Corporation – Centurion Global Ltd				
(No. of ordinary shares)				
Loh Kim Kang David	**8,086**	8,086	**–**	–
Han Seng Juan	**8,086**	8,086	**–**	–
Immediate Holding Corporation – Centurion Properties Pte Ltd				
(No. of ordinary shares)				
Loh Kim Kang David	**–**	–	**10,000,000**	10,000,000
Han Seng Juan	**–**	–	**10,000,000**	10,000,000

(b) Loh Kim Kang David and Han Seng Juan, who by virtue of their individual interest of not less than 20% of the issued capital of the Company, are deemed to have an interest in the shares of the subsidiaries held by the Company.

(c) The director's interests in the ordinary shares of the Company as at 21 January 2017 were the same as those as at 31 December 2016.

SHARE OPTIONS

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

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

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

AUDIT COMMITTEE

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

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

All members of the Audit Committee were non-executive directors. Except for Mr Wong Kok Hoe who is the Group Chief Operating Officer of Centurion Global Ltd, the ultimate holding corporation of the Group, all members were independent.

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

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2016 before their submission to the Board of Directors.

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

INDEPENDENT AUDITOR

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

On behalf of the directors

Wong Kok Hoe
Director

Loh Kim Kang David
Director

28 March 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CENTURION CORPORATION LIMITED

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying consolidated financial statements of Centurion Corporation Limited ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated balance sheet of the Group as at 31 December 2016;
- the balance sheet of the Company as at 31 December 2016;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Our Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 December 2016. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties	How our audit addressed the Key Audit Matter
The Group's investment properties carried at fair value amount to $927,406,000 as at 31 December 2016 and account for 83% of the Group's total assets. The critical accounting estimates, assumptions and judgments and disclosures relating to these investment properties are included in Note 3 and Note 21 to the financial statements. Management in reliance on independent professional valuers, applies estimates, assumptions and judgments in the determination of fair values of its investment properties annually. The valuation of investment properties is significant to our audit due to the complexity involved in the valuation technique. The judgment relating to the assumptions used in the valuation technique, including discount rate, rental rate per room, market value of comparable property and capitalisation rate, impact the valuation. Uncertainty arises as a result of having to consider long-term trends and market conditions in the assumptions.	We considered the objectivity, independence and expertise of the external valuers used by management, and assessed the appropriateness of the valuation techniques used against our understanding of the industry. We challenged management and the external valuers about the key assumptions and estimated inputs used in the valuation model. The key assumptions and estimated inputs which we tested include discount rate, rental rate per room, market value of comparable property and capitalisation rate. Our tests included consideration of externally derived data. We have also assessed the adequacy of the disclosures relating to the assumptions as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations. The valuers are members of recognised professional bodies for external valuers. We found that the valuation techniques used were in line with generally accepted market practices and the key assumptions used were within the range of market data. We also found the disclosures in the financial statements to be appropriate.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Other Information

Management is responsible for the other information. The other information refers to the information in the annual report which does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and FRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yeow Chee Keong.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 28 March 2017

CONSOLIDATED **INCOME STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 $'000	2015 $'000
Revenue	4	**120,288**	104,538
Cost of sales	5	**(41,885)**	(35,718)
Gross profit		**78,403**	68,820
Other income and gains	6	**2,041**	1,543
Expenses			
– Distribution	5	**(1,313)**	(1,470)
– Administrative	5	**(18,166)**	(20,241)
– Finance	8	**(21,383)**	(15,940)
Share of profit of associated companies	18	**5,398**	5,986
		44,980	38,698
Net fair value (losses)/gains on investment properties	21	**(3,121)**	3,550
Profit before income tax		**41,859**	42,248
Income tax expense	10(a)	**(7,048)**	(8,269)
Total profit		**34,811**	33,979
Profit attributable to:			
Equity holders of the Company		**28,707**	34,129
Non-controlling interests		**6,104**	(150)
		34,811	33,979
Earnings per share for profit attributable to equity holders of the Company			
Basic earnings per share	11(a)	**3.86**	4.52
Diluted earnings per share	11(b)	**3.86**	4.52

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

CONSOLIDATED **STATEMENT OF COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 $'000	2015 $'000
Total profit		**34,811**	33,979
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale financial assets			
– Fair value losses	30(b)(i)	**(22)**	(118)
Currency translation losses arising from consolidation	30(b)(ii)	**(18,936)**	(8,981)
Other comprehensive loss, net of tax		**(18,958)**	(9,099)
Total comprehensive income		**15,853**	24,880
Total comprehensive income attributable to:			
Equity holders of the Company		**9,749**	25,030
Non-controlling interests		**6,104**	(150)
		15,853	24,880

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

BALANCE **SHEETS**

AS AT 31 DECEMBER 2016

	Note	Group		Company	
		2016	2015	**2016**	2015
		$'000	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and bank balances	12	**82,545**	138,435	**34,584**	87,075
Trade and other receivables	13	**7,835**	5,413	**6,419**	12,396
Inventories	14	**103**	381	**–**	–
Other assets	15	**3,802**	3,863	**257**	164
Available-for-sale financial assets	17	**2,174**	–	**2,174**	–
		96,459	148,092	**43,434**	99,635
Assets held for sale	16	**7,375**	–	**–**	–
		103,834	148,092	**43,434**	99,635
Non-current assets					
Trade and other receivables	13	**–**	–	**294,623**	262,227
Other assets	15	**130**	265	**130**	265
Available-for-sale financial assets	17	**–**	2,196	**–**	2,196
Investments in associated companies	18	**77,236**	83,097	**1,298**	1,298
Investments in joint ventures	19	**–**	–	**–**	–
Investments in subsidiaries	20	**–**	–	**16,966**	17,400
Investment properties	21	**927,406**	891,471	**–**	–
Property, plant and equipment	22	**9,268**	9,709	**203**	233
Deferred income tax assets	28	**4**	19	**–**	–
Intangible assets	23	**1,856**	6,795	**–**	–
		1,015,900	993,552	**313,220**	283,619
Total assets		**1,119,734**	1,141,644	**356,654**	383,254
LIABILITIES					
Current liabilities					
Trade and other payables	24	**47,247**	54,473	**9,478**	4,290
Current income tax liabilities	10	**10,478**	9,454	**816**	478
Borrowings	25	**39,604**	136,749	**1,571**	102,493
Other liabilities	27	**286**	113	**–**	–
		97,615	200,789	**11,865**	107,261
Non-current liabilities					
Borrowings	25	**620,794**	534,844	**134,467**	64,539
Other liabilities	27	**500**	733	**–**	–
Deferred income tax liabilities	28	**1,343**	2,382	**23**	27
		622,637	537,959	**134,490**	64,566
Total liabilities		**720,252**	738,748	**146,355**	171,827
NET ASSETS		**399,482**	402,896	**210,299**	211,427
EQUITY					
Capital and reserves attributable to the equity holders of the Company					
Share capital	29	**89,837**	89,837	**201,148**	201,148
Treasury shares	29	**(6,498)**	(2,107)	**(6,498)**	(2,107)
Other reserves	30	**(21,294)**	(2,336)	**162**	184
Retained profits	31	**330,553**	316,722	**15,487**	12,202
		392,598	402,116	**210,299**	211,427
Non-controlling interests		**6,884**	780	**–**	–
Total equity		**399,482**	402,896	**210,299**	211,427

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

CONSOLIDATED **STATEMENT OF CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Share capital $'000	Treasury shares $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
		← Attributable to equity holders of the Company →						
2016								
Beginning of financial year		**89,837**	**(2,107)**	**(2,336)**	**316,722**	**402,116**	**780**	**402,896**
Profit for the year		–	–	–	28,707	28,707	6,104	34,811
Other comprehensive loss for the year		–	–	(18,958)	–	(18,958)	–	(18,958)
Total comprehensive (loss)/income for the year		**–**	**–**	**(18,958)**	**28,707**	**9,749**	**6,104**	**15,853**
Dividends relating to 2015 paid	32	–	–	–	(7,476)	(7,476)	–	(7,476)
Dividends relating to 2016 paid	32	–	–	–	(7,400)	(7,400)	–	(7,400)
Purchase of treasury shares	29	–	(4,391)	–	–	(4,391)	–	(4,391)
Total transactions with owners, recognised directly in equity		**–**	**(4,391)**	**–**	**(14,876)**	**(19,267)**	**–**	**(19,267)**
End of financial year		**89,837**	**(6,498)**	**(21,294)**	**330,553**	**392,598**	**6,884**	**399,482**
2015								
Beginning of financial year		**89,836**	**–**	**6,763**	**294,031**	**390,630**	**930**	**391,560**
Profit/(loss) for the year		–	–	–	34,129	34,129	(150)	33,979
Other comprehensive loss for the year		–	–	(9,099)	–	(9,099)	–	(9,099)
Total comprehensive (loss)/income for the year		**–**	**–**	**(9,099)**	**34,129**	**25,030**	**(150)**	**24,880**
Dividends relating to 2014 paid	32	–	–	–	(7,569)	(7,569)	–	(7,569)
Dividends relating to 2015 paid	32	–	–	–	(3,784)	(3,784)	–	(3,784)
Issuance of shares pursuant to warrants exercised	29	1	–	–	–	1	–	1
Purchase of treasury shares	29	–	(2,107)	–	–	(2,107)	–	(2,107)
Adjustment on acquisition of additional share in subsidiary from non-controlling interest	20(b)(i)	–	–	–	(85)	(85)	–	(85)
Total transactions with owners, recognised directly in equity		**1**	**(2,107)**	**–**	**(11,438)**	**(13,544)**	**–**	**(13,544)**
End of financial year		**89,837**	**(2,107)**	**(2,336)**	**316,722**	**402,116**	**780**	**402,896**

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

CONSOLIDATED **STATEMENT OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 $'000	2015 $'000
Cash flows from operating activities			
Total profit		**34,811**	33,979
Adjustments for:			
– Income tax expense		**7,048**	8,269
– Depreciation and amortisation		**7,981**	7,230
– Allowance for/(write back of) impairment of trade and other receivables		**126**	(39)
– Net (gain)/loss on disposal of plant and equipment		**(106)**	18
– Reversal of impairment of property, plant and equipment		**–**	(35)
– Fair value losses/(gains) on investment properties		**3,121**	(3,550)
– Interest income		**(1,371)**	(857)
– Dividend income		**(115)**	(111)
– Finance expenses		**21,383**	15,940
– Share of profit of associated companies and joint ventures		**(5,398)**	(5,986)
– Write off of investment in an associated company		**–**	4,800
– Unrealised currency translation differences		**971**	460
Operating cash flow before working capital changes		**68,451**	60,118
Change in working capital, net of effects from acquisition of subsidiary			
– Inventories		**278**	261
– Trade and other receivables		**(2,192)**	(1,644)
– Other assets		**313**	1,144
– Trade and other payables		**9,689**	651
Cash generated from operations		**76,539**	60,530
Income tax paid		**(7,018)**	(6,459)
Net cash provided by operating activities		**69,521**	54,071
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**513**	129
Additions to investment properties		**(94,926)**	(187,998)
Purchases of property, plant and equipment		**(4,484)**	(5,815)
Interest received		**1,371**	857
Dividends received		**115**	111
Dividends received from an associated company		**11,120**	4,050
Short-term bank deposits released/(charged) as security to bank		**1,721**	(19)
Deposits paid for acquisition of investment property		**–**	(2,175)
Net cash used in investing activities		**(84,570)**	(190,860)
Cash flows from financing activities			
Acquisition of additional interest in a subsidiary	20(b)	**–**	(85)
Proceeds from borrowings		**140,336**	206,425
Repayment of borrowings		**(132,206)**	(22,925)
Proceeds from exercise of warrants		**–**	1
Purchase of treasury shares		**(4,391)**	(2,107)
Interest paid		**(21,197)**	(13,019)
Medium Term Note repurchased		**(255)**	–
Dividends paid to equity holders of the Company		**(14,876)**	(11,353)
Cash provided by non-controlling interests		**4,900**	–
Cash provided by an associated company		**–**	56,180
Repayment of loan from associated company		**(10,220)**	–
Net cash (used in)/provided by financing activities		**(37,909)**	213,117
Net (decrease)/increase in cash and cash equivalents held		**(52,958)**	76,328
Cash and cash equivalents			
Beginning of the financial year	12	**134,388**	59,116
Effects of currency translation on cash and cash equivalents		**(1,211)**	(1,056)
End of financial year	12	**80,219**	134,388

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

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

1. GENERAL INFORMATION

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

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

The principal activities of its subsidiaries and associated companies are set out in Notes 20 and 18 respectively.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The preparation of these financial statements in conformity with FRS requires management to exercise its judgment 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 judgment 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 2016

On 1 January 2016, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

2.2 Revenue recognition

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (continued)

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

(a) Sale of goods

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

The Group does not operate any customer loyalty programme.

(b) Rendering of services

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

(c) Rental income

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

(d) Interest income

Interest income, including income arising from finance leases and other financial instruments is recognised using the effective interest method.

(e) Dividend income

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

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(i) Consolidation (continued)

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

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

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 equity 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.

(c) Associated companies and joint ventures

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

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

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

(i) Acquisitions

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(c) *Associated companies and joint ventures (continued)*

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments.

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

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

(iii) *Disposals*

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Government grants

Grants from the government are recognised as receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis unless they are directly attributable to the construction of an item of plant and equipment, in which case, they are set off against the asset.

2.5 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*

Freehold land and 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
Building on freehold land	50 years
Leasehold land and building	20 years
Leasehold improvements	Based on lease terms
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)

2.5 Property, plant and equipment (continued)

(c) Subsequent expenditure

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

(d) Disposal

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

2.6 Investment properties

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of joint ventures and associated companies represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

(b) Favourable lease agreement

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

2.8 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.

2.9 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of non-financial assets

(a) *Goodwill*

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

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

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

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

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

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

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

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

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

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

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 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. The Group has financial assets only in the categories of loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and bank balances" on the balance sheet except for certain non-trade receivables from subsidiaries which have been accounted for in accordance with Note 2.9.

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

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

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(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 the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (continued)

(e) Impairment (continued)

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.11(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified 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 on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in a subsequent period.

2.12 Offsetting of financial instruments

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

2.13 Cash and cash equivalents

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

2.14 Financial guarantees

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

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

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

Intra-group transactions are eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Borrowings

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

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

2.16 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.

2.17 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.

2.18 Leases

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

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

(i) *Lessee – Finance leases*

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 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.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) When the Group is the lessor:

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

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

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

2.19 Inventories

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

2.20 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)

2.20 Income taxes (continued)

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

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

Deferred income tax is measured:

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

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

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

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

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.22 Employee compensation

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

(a) Defined contribution plans

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 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 at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of FRS 37 and involves the payment of termination benefits. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.23 Currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Currency translation (continued)

(b) Transactions and balances (continued)

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 expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains".

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

(c) Translation of Group entities' financial statements

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

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

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

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

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

2.24 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Share capital and treasury shares

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.26 Dividends to Company's shareholders

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

2.27 Assets held for sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use, except for investment properties. Investment properties classified as assets held-for-sale are measured in accordance with the Group's accounting policies (Note 2.6). The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss, except for investment properties. Investment properties classified as assets held-for-sale are subsequently carried at fair value in accordance with the Group's accounting policies (Note 2.6).

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

Estimates, assumptions and judgments 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.

Valuation of investment properties

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

4. REVENUE

	Group	
	2016	2015
	$'000	$'000
Sale of goods	**2,161**	5,033
Rendering of services	**1,516**	1,373
Rental income from investment properties (Note 21)	**109,870**	94,013
Rental income from operating leases	**2,930**	292
Others	**3,811**	3,827
Total revenue	**120,288**	104,538

5. COST OF SALES AND EXPENSES

	Group	
	2016	2015
	$'000	$'000
Purchase of raw materials and consumables	**541**	1,675
Changes in inventories	**278**	262
Depreciation of property, plant and equipment (Note 22)	**3,042**	2,291
Amortisation of intangible asset (Note 23(c))	**4,939**	4,939
Total depreciation and amortisation	**7,981**	7,230
Allowance for/(write back of) impairment of trade and other receivables	**126**	(39)
Property tax	**4,281**	3,371
Employee compensation (Note 9)	**16,942**	14,050
Rental expense on operating leases	**7,042**	4,797
Utilities	**6,496**	6,004
Repairs and maintenance	**5,038**	4,273
Insurance	**557**	450
Security and card system expenses	**1,262**	729
Legal and professional fees	**2,628**	2,166
Transportation expenses	**820**	974
Advertising and promotion expenses	**917**	774
Write off of investment in an associated company (Note 18(a))	**–**	4,800
Others	**6,455**	5,913
Total cost of sales, distribution and administrative expenses	**61,364**	57,429

6. OTHER INCOME AND GAINS

	Group	
	2016	2015
	$'000	$'000
Rental income	**351**	316
Interest income	**1,371**	857
Dividend income	**115**	111
Other gains (Note 7)	**204**	259
	2,041	1,543

7. OTHER GAINS

	Group	
	2016	2015
	$'000	$'000
Currency exchange loss – net	**(189)**	(149)
Net gain/(loss) on disposal of plant and equipment	**106**	(18)
Reversal of impairment of property, plant and equipment (Note 22)	**–**	35
Government grants	**274**	260
Others	**13**	131
	204	259

8. FINANCE EXPENSES

	Group	
	2016	2015
	$'000	$'000
Interest expense:		
– bank borrowings	**21,565**	18,775
– finance lease liabilities	**1**	–
– associated company	**1,489**	749
– non-controlling interest	**92**	–
Less: Borrowing costs capitalised in investment properties	**(1,764)**	(3,584)
Finance expenses recognised in profit or loss	**21,383**	15,940

Borrowing costs on general financing were capitalised at a rate of 0.27% (2015: 0.53%).

9. EMPLOYEE COMPENSATION

	Group	
	2016	2015
	$'000	$'000
Wages and salaries	**15,539**	12,695
Employer's contribution to defined contribution plans, including Central Provident Fund	**1,391**	1,157
Post-employment benefits (Note 27(b))	**12**	198
Total employee compensation (Note 5)	**16,942**	14,050

10. INCOME TAXES

(a) Income tax expense

	Group	
	2016	2015
	$'000	$'000
Tax expense attributable to the profit is made up of:		
– Profit for the financial year		
Current income tax		
– Singapore	**6,890**	6,777
– Foreign	**1,663**	2,111
	8,553	8,888
Deferred income tax (Note 28)	**(927)**	(555)
	7,626	8,333
– Over provision in prior financial years		
Current income tax	**(497)**	(34)
Deferred income tax (Note 28)	**(81)**	(30)
	7,048	8,269

10. INCOME TAXES (CONTINUED)

(a) Income tax expense (continued)

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

	Group	
	2016	2015
	$'000	$'000
Profit before tax	**41,859**	42,248
Share of profit of associated companies, net of tax	**(5,398)**	(5,986)
Profit before tax and share of profit of associated companies	**36,461**	36,262
Tax calculated at a tax rate of 17% (2015: 17%)	**6,198**	6,165
Effects of:		
– different tax rates in other countries	**1,786**	213
– statutory stepped income exemption	**(113)**	(83)
– expenses not deductible for tax purposes	**9,226**	5,820
– income not subject to tax	**(9,338)**	(4,627)
– utilisation of previously unrecognised tax losses	**(317)**	(403)
– utilisation of previously unrecognised capital allowances	**(1)**	(64)
– unrecognised deferred tax assets	**361**	1,744
– over provision of tax in prior years	**(578)**	(64)
– others	**(176)**	(432)
Tax charge	**7,048**	8,269

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

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**9,010**	6,757	**478**	192
Currency translation differences	**(180)**	(142)	**–**	–
Income tax paid – net	**(7,018)**	(6,459)	**(10)**	(26)
Tax expense	**8,553**	8,888	**363**	312
Over provision in prior financial years	**(497)**	(34)	**(15)**	–
End of financial year	**9,868**	9,010	**816**	478

10. INCOME TAXES (CONTINUED)

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

The current income tax account comprises the following:

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Current income tax recoverable (Included in Other assets – Note 15)	**(610)**	(444)	**–**	–
Current income tax liabilities	**10,478**	9,454	**816**	478
	9,868	9,010	**816**	478

(c) There is no tax charge relating to each component of other comprehensive income.

11. EARNINGS PER SHARE

(a) Basic earnings per share

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.

	2016	2015
Net profit attributable to equity holders of the Company ($'000)	**28,707**	34,129
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**743,342**	755,637
Basic earnings per share (cents)	**3.86**	4.52

(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.

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

11. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share (continued)

Diluted earnings per share attributable to equity holders of the Company is calculated as follows:

	2016	2015
Net profit used to determine diluted earnings per share ($'000)	**28,707**	34,129
Weighted average number of ordinary shares outstanding after adjustments for warrants ('000)	**743,342**	755,637
Diluted earnings per share (cents)	**3.86**	4.52

12. CASH AND BANK BALANCES

	Group		**Company**	
	2016 $'000	2015 $'000	**2016 $'000**	2015 $'000
Cash at bank and on hand	**22,001**	21,286	**3,303**	1,570
Short-term bank deposits	**60,544**	117,149	**31,281**	85,505
	82,545	138,435	**34,584**	87,075

As at 31 December 2016, short-term bank deposits at the balance sheet date have an average maturity of 1 – 11 months (2015: 1 – 10 months) from that date with the following weighted average effective interest rates:

	Group		**Company**	
	2016 %	2015 %	**2016 %**	2015 %
Singapore Dollar	**0.93**	1.47	**1.19**	1.56
Australian Dollar	**1.49**	2.00	**1.21**	2.00
Sterling Pound	**0.34**	0.45	**–**	0.34
United States Dollar	**0.86**	0.50	**–**	–
Ringgit Malaysia	**3.57**	3.20	**–**	–

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

	Group	
	2016 $'000	2015 $'000
Cash and bank balances (as above)	**82,545**	138,435
Less: Short-term bank deposits charged as security to bank	**(2,326)**	(4,047)
Cash and cash equivalents per consolidated statement of cash flows	**80,219**	134,388

As at 31 December 2016, short-term bank deposits of the Group amounting to $2,326,000 (2015: $4,047,000) were charged as security to a bank as a guarantee in relation to a bank facility.

13. TRADE AND OTHER RECEIVABLES

(a) Current

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Trade receivables – non-related parties	**4,712**	3,931	**–**	1
Less: Allowance for impairment	**(1,033)**	(976)	**–**	–
	3,679	2,955	**–**	1
Receivables from subsidiaries				
– trade	**–**	–	**2,955**	590
– non-trade	**–**	–	**5,028**	12,346
Receivables from associated companies				
– trade	**242**	220	**–**	–
– non-trade	**958**	711	**12**	3
Loans to subsidiaries	**–**	–	**2,215**	10,265
	1,200	931	**10,210**	23,204
Less: Allowance for impairment	**–**	–	**(3,851)**	(11,006)
	1,200	931	**6,359**	12,198
Other receivables	**2,956**	1,527	**60**	197
	7,835	5,413	**6,419**	12,396

During the year, the Company provided additional allowance for impairment of $329,000 (2015: $109,000) for current and non-current loans to subsidiaries (Note 13(b)) and wrote back allowances for impairment of non-trade receivables from subsidiaries of $108,000 (2015: $nil).

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

(b) Non-current

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Loans to subsidiaries	**–**	–	**302,482**	262,710
Less: Allowance for impairment	**–**	–	**(7,859)**	(483)
	–	–	**294,623**	262,227

The loans to subsidiaries are unsecured with no fixed terms of repayment and are not expected to be repaid within the next twelve months. Included in the loans to subsidiaries is an amount of $67,568,000 (2015: $66,553,000) which bears interest at 5.5% (2015: 5.5%) per annum.

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

14. INVENTORIES

	Group	
	2016	2015
	$'000	$'000
Finished goods	**14**	17
Raw materials	**89**	453
Less: Allowance for stock obsolescence	**–**	(89)
	103	381

The cost of inventories recognised as expense and included in "cost of sales" amounted to $819,000 (2015: $1,937,000).

15. OTHER ASSETS

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Current				
Deposits	**2,643**	2,891	**218**	66
Prepayments	**539**	460	**39**	75
Tax recoverable (Note 10(b))	**610**	444	**–**	–
Others	**10**	68	**–**	23
	3,802	3,863	**257**	164
Non-current				
Deposits	**130**	265	**130**	265

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

16. ASSETS HELD FOR SALE

	Group
	2016
	$'000
Details of the assets classified as held-for-sale are as follows:	
Transferred from Property, plant and equipment (Note 22)	**1,421**
Transferred from Investment properties (Note 21)	**5,954**
	7,375

16. ASSETS HELD FOR SALE (CONTINUED)

Following the approval by the Group's senior management and directors on 29 November 2016 to dispose the Group's non-core assets, the following investment properties and property, plant and equipment listed below are reclassified to assets held for sale and will remain in assets held for sale until the completion of the sale. The sales are expected to be completed within one year.

Location	Note	Description	Existing use	Tenure	Unexpired term of lease	Previous classification
Desa Cemerlang, Malaysia	(a)	9 blocks of workers dormitory	Commercial dormitory	Freehold	–	Investment Property
Tampoi, Malaysia	(a)	Undeveloped land	Vacant	Freehold	–	Investment Property
Beechwood House, Manchester, United Kingdom	(a)	2 apartment blocks consisting of 11 flats with 37 beds	Student accommodation	Leasehold	118 years	Investment Property
Indonesia MM 2100 Industrial Town Jl. Bali Blok HI-1 Cibitung Bekasi 17520	(b)	Factory compound	Industrial factory building	Leasehold	8 years	Property, plant and equipment
Indonesia Royal Palace Shophouse Complex, Block C No.15, Jl. Prof. Dr. Seopomo SH No.178A, Tebet, South Jakarta	(b)	A 4-storey shophouse	Marketing office	Leasehold	4.5 years	Property, plant and equipment

(a) Independent valuation of investment properties reclassified to assets held for sale was undertaken by independent professional valuers. Fair value losses of $454,000 was recognised in profit or loss.

(b) Property, plant and equipment reclassified to assets held for sale were reclassified to assets held for sale at the lower of their carrying values and fair value less costs to sell.

The fair value measurement for assets held for sale has been categorised within Level 3 fair value hierarchy based on the inputs to the valuation techniques (Note 21).

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2016 $'000	2015 $'000	**2016 $'000**	2015 $'000
Beginning of financial year	**2,196**	2,314	**2,196**	2,314
Fair value losses recognised in other comprehensive income (Note 30(b)(i))	**(22)**	(118)	**(22)**	(118)
End of financial year	**2,174**	2,196	**2,174**	2,196

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

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

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Listed debt securities – Singapore	**2,174**	2,196	**2,174**	2,196

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

During the financial year ended 31 December 2016, available-for-sale financial assets were reclassified from non-current assets to current assets as management intends to dispose these assets as and when they are needed for working capital.

18. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Equity investment, at cost			**1,668**	1,668
Less: Accumulated impairment			**(370)**	(370)
			1,298	1,298
Beginning of financial year	**83,097**	1,371		
Transfer from investment in joint ventures (Note 19)	**–**	84,417		
Write off of investment in an associated company (Note 18(a))	**–**	(4,800)		
Currency translation differences	**(32)**	(172)		
Share of profit	**5,398**	5,986		
Dividends received	**(11,120)**	(4,050)		
Share of (profit)/loss in excess of investments in an associated company	**(107)**	345		
End of financial year	**77,236**	83,097		

(a) The carrying value of the investment in an associated company, Lian Beng-Centurion (Mandai) Pte Ltd has been re-assessed as at 31 December 2015 against the Group's share of net assets which has taken into account the fair value of the underlying investment properties. An excess of $4,800,000 was written off to profit or loss in the prior year.

(b) There are no contingent liabilities relating to the Group's interest in the associated companies.

18. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

(c) Set out below are the associated companies of the Group as at 31 December 2016, which in the opinion of the directors, are not material to the Group. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group, the country of incorporation is also their principal place of business.

Name of entity	Principal activities	Place of business/ country of incorporation	% of ownership interest 2016 %	2015 %
Held directly by the Company				
Sherford (M) Sdn Bhd[a]	Property investment	Malaysia	**25**	25
Held by subsidiaries				
Oriental Amber Sdn Bhd[b],[c]	Property investment and provision of dormitory accommodation, management and services	Malaysia	**49**	49

(a) Audited by M.S. Wong & Co.

(b) Audited by PricewaterhouseCoopers, Malaysia.

(c) Holdings through Centurion Dormitories Sdn Bhd.

(d) Set out below are the associated companies of the Group as at 31 December 2016, which in the opinion of the directors, are material to the Group. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group, the country of incorporation is also their principal place of business.

Name of entity	Principal activities	Place of business/ country of incorporation	% of ownership interest 2016 %	2015 %
Held by subsidiary				
Lian Beng-Centurion (Mandai) Pte Ltd[a],[b],[c]	Property development and owner of a workers' dormitory	Singapore	**45**	45
Held by Lian Beng-Centurion (Mandai) Pte Ltd				
Lian-Beng Centurion (Dormitory) Pte Ltd[a],[c]	Provision of dormitory accommodation services	Singapore	**45**	45

18. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

(a) Audited by Ernst and Young LLP, Singapore.

(b) Holdings through Centurion Dormitories Pte Ltd.

(c) Due to change of terms in the contractual agreement effective 2 January 2015, Lian Beng-Centurion (Mandai) Pte Ltd and Lian-Beng Centurion (Dormitory) Pte Ltd are re-classified from joint ventures to associated companies.

Summarised financial information for associated companies

Set out below is the summarised financial information for the material associated companies held by the Group.

Summarised balance sheet

	Lian Beng-Centurion (Mandai) Pte Ltd As at 31 December		Lian Beng-Centurion (Dormitory) Pte Ltd As at 31 December		Total As at 31 December	
	2016	2015	**2016**	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
ASSETS						
Current assets	**23,619**	88,777	**8,501**	14,958	**32,120**	103,735
Includes:						
– Cash and bank balances	**9,313**	2,660	**7,454**	12,674	**16,767**	15,334
Non-current assets	**318,880**	270,000	**547**	799	**319,427**	270,799
LIABILITIES						
Current liabilities	**(9,168)**	(11,154)	**(6,904)**	(7,320)	**(16,072)**	(18,474)
Includes:						
– Trade and other payables	**(1,512)**	(1,580)	**(4,463)**	(4,832)	**(5,975)**	(6,412)
– Borrowings	**(7,656)**	(7,656)	**(3)**	–	**(7,659)**	(7,656)
Non-current liabilities	**(166,345)**	(174,001)	**(80)**	(82)	**(166,425)**	(174,083)
Includes:						
– Borrowings	**(166,345)**	(174,001)	**(4)**	–	**(166,349)**	(174,001)
NET ASSETS	**166,986**	173,622	**2,064**	8,355	**169,050**	181,977

18. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised statement of comprehensive income

	Lian Beng-Centurion (Mandai) Pte Ltd For the year ended 31 December		Lian Beng-Centurion (Dormitory) Pte Ltd For the year ended 31 December		Total For the year ended 31 December	
	2016	2015	**2016**	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Sales	**–**	–	**23,399**	22,906	**23,399**	22,906
Interest income	**2,055**	1,074	**187**	127	**2,242**	1,201
Expenses includes						
– Depreciation and amortisation	**–**	–	**(274)**	(267)	**(274)**	(267)
– Interest expense	**(4,522)**	(3,642)	**–**	–	**(4,522)**	(3,642)
Profit before tax	**18,094**	14,921	**15,520**	16,081	**33,614**	31,002
Income tax expense	**(18)**	(10)	**(2,599)**	(2,442)	**(2,617)**	(2,452)
Total profit and total comprehensive income	**18,076**	14,911	**12,921**	13,639	**30,997**	28,550
Dividends received from associated companies	**19,212**	14,500	**–**	–	**19,212**	14,500

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

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

	Lian Beng-Centurion (Mandai) Pte Ltd As at 31 December		Lian Beng-Centurion (Dormitory) Pte Ltd As at 31 December		Total As at 31 December	
	2016	2015	**2016**	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Net assets						
At 1 January	**173,622**	167,711	**8,355**	9,216	**181,977**	176,927
Profit for the year	**18,076**	14,911	**12,921**	13,639	**30,997**	28,550
Dividends paid	**(24,712)**	(9,000)	**(19,212)**	(14,500)	**(43,924)**	(23,500)
Net assets as at 31 December	**166,986**	173,622	**2,064**	8,355	**169,050**	181,977
Interest in the associated companies (45%)	**75,144**	78,130	**929**	3,760	**76,073**	81,890
Add:						
Carrying value of individually immaterial associated companies, in aggregate					**1,163**	1,207
Carrying value of Group's interest in associated companies					**77,236**	83,097

19. INVESTMENTS IN JOINT VENTURES

	Group	
	2016	2015
	$'000	$'000
Beginning of financial year	**–**	84,417
Transfer to investment in associated companies (Note 18(d))	**–**	(84,417)
End of financial year	**–**	–

20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	2015
	$'000	$'000
Equity investment, at cost	**26,193**	26,193
Less: Accumulated impairment	**(9,227)**	(8,793)
	16,966	17,400

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

	Company	
	2016	2015
	$'000	$'000
Beginning of financial year	**17,400**	18,762
Additions	**–**	100
Impairment of subsidiaries	**(434)**	(1,462)
End of financial year	**16,966**	17,400

During the year, the Company provided for impairment of subsidiaries amounting to $434,000 (2015: $1,462,000) as the carrying amount of a subsidiary exceeded its recoverable amount.

(b) Acquisition of subsidiary

2015

(i) Acquisition of remaining 15% interest in Shanghai Huade Photoelectron Science & Technology Co. Ltd

On 6 July 2015, the Group acquired the remaining 15% interest in Shanghai Huade Photoelectron Science & Technology Co. Ltd. Subsequent to the acquisition, Shanghai Huade Photoelectron Science & Technology Co. Ltd 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 $84,926 between the change in the carrying amount of the non-controlling interest and the fair value of the consideration paid has been recognised within equity attributable to the equity holders of the Company.

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The Group had the following subsidiaries as at 31 December 2016 and 2015:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2016	2015	**2016**	2015	**2016**	2015
			%	%	**%**	%	**%**	%
Summit CD Manufacture Pte Ltd[(a)]	Manufacture and sale of optical discs, and related components	Singapore	**100**	100	**100**	100	**–**	–
Summit Hi-Tech Pte Ltd[(a)]	Dormant	Singapore	**100**	100	**100**	100	**–**	–
SM Summit Holdings Pte Ltd[(a)]	Investment holding	Singapore	**100**	100	**100**	100	**–**	–
Clean2Go Laundry Pte Ltd[(a),(h)]	Laundry and dry cleaning services	Singapore	**–**	–	**100**	100	**–**	–
Advance Technology Investment Ltd[(b),(h)]	Investment holding	Hong Kong	**–**	–	**100**	100	**–**	–
Shanghai Huade Photoelectron Science & Technology Co. Ltd[(c),(i)]	Dormant	People's Republic of China	**–**	–	**100**	100	**–**	–
Summit Technology Australia Pty Ltd[(d)]	Dormant	Australia	**100**	100	**100**	100	**–**	–
Summit Printing (Australia) Pty Ltd[(d),(j)]	Dormant	Australia	**–**	–	**100**	100	**–**	–
Centurion Accommodation (Australia) Pty Ltd[(d),(j)]	Property investments	Australia	**–**	–	**100**	100	**–**	–
SM Summit Holdings (HK) Ltd[(b)]	Dormant	Hong Kong	**100**	100	**100**	100	**–**	–
Summit CD Manufacture (HK) Ltd[(b)]	Dormant	Hong Kong	**100**	100	**100**	100	**–**	–
Gate Cosmos Investments Ltd[(b)]	Investment holding	British Virgin Islands	**100**	100	**100**	100	**–**	–
PT Digital Media Technology[(e),(k)]	Ceased operations	Indonesia	**–**	–	**100**	100	**–**	–

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The Group had the following subsidiaries as at 31 December 2016 and 2015: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2016	2015	**2016**	2015	**2016**	2015
			%	%	**%**	%	**%**	%
Centurion Dormitories Pte Ltd[(a)]	Investment holding	Singapore	**100**	100	**100**	100	**–**	–
Westlite Dormitory Management Pte Ltd[(a),(l)]	Provision of management services	Singapore	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Toh Guan) Pte Ltd[(a),(l)]	Property investments and provision of dormitory accommodation services	Singapore	**–**	–	**100**	100	**–**	–
Westlite Dormitory Investments Private Limited[(a),(l)]	Investment holding	Singapore	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Tuas) Pte Ltd[(a),(m)]	Property investments and provision of dormitory accommodation services	Singapore	**–**	–	**100**	100	**–**	–
Centurion Dormitories Holdings Pte Ltd[(a)]	Investment holding	Singapore	**100**	100	**100**	100	**–**	–
Westlite Dormitory (Woodlands) Pte Ltd[(a),(n)]	Property investments and provision of dormitory accommodation services	Singapore	**–**	–	**100**	100	**–**	–
Westlite Dormitory (V Two) Pte Ltd[(a),(n)]	Investment holding	Singapore	**–**	–	**100**	100	**–**	–
PT Westlite Accommodation Cibitung[(b),(o)]	Property investments and provision of dormitory accommodation services	Indonesia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (V Three) Pte Ltd[(a),(n)]	Provision of dormitory services and trading	Singapore	**–**	–	**100**	100	**–**	–
Centurion Dormitory Venture Pte Ltd[(a)]	Investment holding	Singapore	**100**	100	**100**	100	**–**	–
Centurion-Lian Beng (Papan) Pte Ltd[(a),(p)]	Property investments and provision of dormitory accommodation services	Singapore	**–**	–	**51**	51	**49**	49

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The Group had the following subsidiaries as at 31 December 2016 and 2015: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2016	2015	**2016**	2015	**2016**	2015
			%	%	**%**	%	**%**	%
CSL Student Living (Selegie) Pte Ltd[a],[n]	Provision of student accommodation and services	Singapore	**–**	–	**100**	100	**–**	–
WLC Facilities Services Pte Ltd[a],[l]	Provision of utilities and transportation to dormitories	Singapore	**–**	–	**100**	100	**–**	–
Centurion Dormitories Sdn Bhd[f],[l]	Investment holding	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory Management Sdn Bhd[f],[q]	Provision of management services	Malaysia	**–**	–	**100**	100	**–**	–
WLC Management Services Sdn Bhd[f],[q]	Provision of dormitory management and dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Tebrau) Sdn Bhd[f],[q]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Cemerlang) Sdn Bhd[f],[q]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (JB Techpark) Sdn Bhd[f],[q]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Tampoi) Sdn Bhd[f],[q]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Pasir Gudang) Sdn Bhd[f],[q]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (PG II) Sdn Bhd[f],[q]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The Group had the following subsidiaries as at 31 December 2016 and 2015: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2016	2015	**2016**	2015	**2016**	2015
			%	%	**%**	%	**%**	%
Westlite Dormitory (Senai) Sdn Bhd[f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (SN II) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Penang Juru) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Westlite Dormitory (Bukit Minyak) Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
First Megalink Sdn Bhd[(f),(q)]	Property investments and provision of dormitory accommodation services	Malaysia	**–**	–	**100**	100	**–**	–
Centurion Overseas Investments Pte Ltd[(a)]	Investment holding	Singapore	**100**	100	**100**	100	**–**	–
Centurion Overseas Ventures Ltd[(b),(r)]	Investment holding and provision of management services	Malaysia	**–**	–	**100**	100	**–**	–
Centurion Melbourne Student Village Trust[(d),(s)]	Trust	Australia	**–**	–	**100**	100	**–**	–
Centurion Melbourne Apartment Trust[(d),(s)]	Trust	Australia	**–**	–	**100**	100	**–**	–
Centurion Australia Investments Pty Ltd[(b),(r)]	Trustees for 2 trusts in Australia	Australia	**–**	–	**100**	100	**–**	–

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The Group had the following subsidiaries as at 31 December 2016 and 2015: (continued)

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2016 %	2015 %	**2016 %**	2015 %	**2016 %**	2015 %
Centurion Student Services Pty Ltd[d],[r]	Provide management services and leasing services to students	Australia	**–**	–	**100**	100	**–**	–
Centurion Student Services (UK) Ltd[g],[r]	Provide management services and leasing services to students	United Kingdom	**–**	–	**100**	100	**–**	–
Centurion Investments (JS) Ltd[g],[r]	Property investments and provision of student accommodation	United Kingdom	**–**	–	**100**	100	**–**	–
Centurion Investments (JSI) Ltd[g],[r]	Property investments and provision of student accommodation	United Kingdom	**–**	–	**100**	100	**–**	–
Centurion Investments (JSII) Ltd[g],[r]	Property investments and provision of student accommodation	United Kingdom	**–**	–	**100**	100	**–**	–
Centurion Investments (JSIII) Ltd[g],[r]	Property investments and provision of student accommodation	United Kingdom	**–**	–	**100**	–	**–**	–
Centurion Investments (JSIV) Ltd[g],[r]	Property investments and provision of student accommodation	United Kingdom	**–**	–	**100**	–	**–**	–
Centurion Investments (JSV) Ltd[g],[r]	Property investments and provision of student accommodation	United Kingdom	**–**	–	**100**	–	**–**	–
Centurion Investments (JSVI) Ltd[g],[r]	Property investments and provision of student accommodation	United Kingdom	**–**	–	**100**	–	**–**	–

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The Group had the following subsidiaries as at 31 December 2016 and 2015: (continued)

(a) Audited by PricewaterhouseCoopers LLP, Singapore
(b) Not required to be audited under the laws of the country of incorporation
(c) Audited by SBA Stone Forest CPA Co. Ltd
(d) Audited by Crowe Horwath, Australia
(e) Audited by KAP Y. Santosa & Rekan, Indonesia
(f) Audited by PricewaterhouseCoopers, Malaysia
(g) Audited by PricewaterhouseCoopers LLP, United Kingdom
(h) Holdings through SM Summit Holdings Pte Ltd
(i) Holdings through Advance Technology Investment Ltd
(j) Holdings through Summit Technology Australia Pty Ltd
(k) Holdings through Gate Cosmos Investments Ltd and SM Summit Holdings Pte Ltd
(l) Holdings through Centurion Dormitories Pte Ltd
(m) Holdings through Westlite Dormitory Investments Pte Ltd
(n) Holdings through Centurion Dormitories Holdings Pte Ltd
(o) Holdings through Westlite Dormitory (V Two) Pte Ltd and Gate Cosmos Investments Ltd
(p) Holdings through Centurion Dormitory Venture Pte Ltd
(q) Holdings through Centurion Dormitories Sdn Bhd
(r) Holdings through Centurion Overseas Investments Pte Ltd
(s) Holdings through Centurion Overseas Ventures Ltd
(t) In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries, joint ventures and associated companies would not compromise the standard and effectiveness of the audit of the Group.

(d) Carrying value of non-controlling interests

	Group	
	2016	2015
	$'000	$'000
Centurion-Lian Beng (Papan) Pte Ltd	**6,884**	780

Summarised financial information of subsidiary with material non-controlling interest

Set out below is the summarised financial information for the subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) Carrying value of non-controlling interests (continued)

Summarised balance sheet

	Centurion-Lian Beng (Papan) Pte Ltd As at 31 December	
	2016	2015
	$'000	$'000
Current		
Assets	**8,208**	8,153
Liabilities	**(23,685)**	(21,928)
Total current net liabilities	**(15,477)**	(13,775)
Non-current		
Assets	**201,159**	158,000
Liabilities	**(171,633)**	(142,633)
Total non-current net assets	**29,526**	15,367
Net assets	**14,049**	1,592

Summarised statement of comprehensive income

	Centurion-Lian Beng (Papan) Pte Ltd As at 31 December	
	2016	2015
	$'000	$'000
Revenue	**5,769**	–
Profit/(loss) before income tax	**12,457**	(306)
Income tax expense	**–**	–
Profit/(loss) after tax and total comprehensive income/(loss)	**12,457**	(306)
Total comprehensive income/(loss) allocated to non-controlling interests	**6,104**	(150)

No dividends were paid to non-controlling interests during the financial years ended 31 December 2016 and 2015.

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) Carrying value of non-controlling interests (continued)

Summarised cash flows

	Centurion-Lian Beng (Papan) Pte Ltd As at 31 December	
	2016	2015
	$'000	$'000
Net cash provided by operating activities	**9,033**	1,564
Net cash used in investing activities	**(45,070)**	(128,528)
Net cash provided by financing activities	**35,179**	134,678
Net (decrease)/increase in cash and bank deposits	**(858)**	7,714
Cash and bank deposits at the beginning of financial year	**7,990**	276
Cash and bank deposits at end of financial year	**7,132**	7,990

21. INVESTMENT PROPERTIES

	Group	
	2016	2015
	$'000	$'000
Beginning of financial year	**891,471**	684,437
Currency translation differences	**(32,432)**	(10,475)
Additions to investment properties	**79,644**	213,959
Over provision of construction costs	**(2,202)**	–
Net fair value (losses)/gains recognised in profit or loss	**(3,121)**	3,550
Transferred to assets held for sale (Note 16)	**(5,954)**	–
End of financial year	**927,406**	891,471

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

Certain investment properties and assets held for sale are pledged as security for the bank facilities extended to subsidiaries (Note 25(a)). The carrying values of these investment properties and assets held for sale (Note 16) amounted to approximately $927,580,000 (2015: $872,537,000).

21. INVESTMENT PROPERTIES (CONTINUED)

The following amounts are recognised in profit or loss:

	Group	
	2016	2015
	$'000	$'000
Rental income (Note 4)	**109,870**	94,013
Direct operating expenses arising from:		
– Investment properties that generated rental income and service charges	**(42,144)**	(34,354)
– Investment properties that do not generate rental income	**(13)**	(183)

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	41 years
Tuas South Ave 9, Singapore	8 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	0.3 years
Woodlands Avenue 10, Singapore	Two 13-storey blocks of workers dormitory	Commercial dormitory	Leasehold	27 years
Jalan Papan, Singapore	2 blocks of workers dormitory	Commercial dormitory	Leasehold	22 years
Johor Technology Park, Malaysia	5 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	95 years
Tebrau, Malaysia	2 blocks of workers dormitory and 1 amenity block	Commercial dormitory	Leasehold	44 years
Pasir Gudang, Malaysia	4 blocks of workers dormitory	Commercial dormitory	Leasehold	69 years
Tampoi, Malaysia	3 blocks of workers dormitory	Commercial dormitory	Freehold	–
Senai, Malaysia	2 blocks of workers dormitory	Commercial dormitory	Freehold	–
Senai II, Malaysia	4 blocks of workers dormitory	Commercial dormitory	Freehold	–

21. INVESTMENT PROPERTIES (CONTINUED)

Location	Description	Existing use	Tenure	Unexpired term of lease
Bukit Minyak Penang, Malaysia	Under construction	Commercial dormitory	Freehold	–
Shanghai Huade, China	Industrial factory building	Factory rental	Leasehold	37.5 years
RMIT Village Student Accommodation Melbourne, Australia	456 bedrooms of accommodation	Student accommodation	Freehold	–
RMIT Village Car Park Site Melbourne, Australia	Commercial car park	Commercial car park	Freehold	–
Manchester Student Village, Manchester, United Kingdom	Two 9-storey blocks and a 7-storey block	Student accommodation	Freehold	–
Manchester Student Village South, Manchester, United Kingdom	7 blocks with 8 clusters in each block and 4 blocks with 6 or 8 clusters in each block	Student accommodation	Freehold	–
The Grafton, Manchester, United Kingdom	1 block with 55 flats	Student accommodation	Freehold	–
Cathedral Campus, Liverpool, United Kingdom	Eighty seven 3-storey houses arranged in 14 terraced blocks around 3 courtyard areas	Student accommodation	Leasehold	241 years
Garth Heads, Newcastle, United Kingdom	4 blocks consisting of 34 flats with 185 beds	Student accommodation	Leasehold	104 years
Hotwells House, Bristol, United Kingdom	4 blocks consisting of 40 flats with 157 beds	Student accommodation	Leasehold	118 years
Weston Court, Manchester, United Kingdom	4 blocks consisting of flats with 140 beds	Student accommodation	Leasehold	118 years
Port Hedland, Australia	Land	Industrial	Freehold	–
Jl, Wareng Kali Jambe Lambang Sari Village Sub district of Tambun Bekasi, West Java	Land	Residential	Leasehold	27 years

21. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy – Recurring fair value measurements

	Fair value measurements using		
Description	**Quoted prices in active markets for identical assets (Level 1) $'000**	**Significant other observable inputs (Level 2) $'000**	**Significant unobservable inputs (Level 3) $'000**
31 December 2016			
Investment properties:			
– Land and industrial property	**–**	**–**	**5,773**
– Commercial dormitories	**–**	**–**	**636,571**
– Student accommodation	**–**	**–**	**285,062**
– Assets held for sale (Note 16)	**–**	**–**	**5,954**
31 December 2015			
Investment properties:			
– Land and industrial property	–	–	6,181
– Commercial dormitories	–	–	641,646
– Student accommodation	–	–	243,644

Reconciliation of movements in Level 3 fair value measurement

	Land, industrial property and commercial dormitories $'000	**Student accommodation $'000**	**Total $'000**
31 December 2016			
Beginning of financial year	**647,827**	**243,644**	**891,471**
Currency translation differences	**(1,650)**	**(30,782)**	**(32,432)**
(Losses)/gains recognised in profit or loss	**(32,436)**	**29,315**	**(3,121)**
Additions and subsequent expenditure on investment property	**34,185**	**45,459**	**79,644**
Over provision of construction cost	**(2,202)**	**–**	**(2,202)**
Transfers to assets held for sale (Note 16)	**(3,380)**	**(2,574)**	**(5,954)**
End of financial year	**642,344**	**285,062**	**927,406**
31 December 2015			
Beginning of financial year	450,948	231,028	681,976
Transfers to Level 3	2,461	–	2,461
Currency translation differences	(9,143)	(1,332)	(10,475)
(Losses)/gains recognised in profit or loss	(2,657)	6,207	3,550
Additions and subsequent expenditure on investment property	206,218	7,741	213,959
End of financial year	647,827	243,644	891,471

21. INVESTMENT PROPERTIES (CONTINUED)

Reconciliation of movements in Level 3 fair value measurement *(continued)*

There were no changes in valuation techniques during the year.

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

Valuation techniques and inputs used in Level 3 fair value measurement

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties and assets held for sale (Note 16) categorised under Level 3 of the fair value hierarchy:

Country	Description	Fair value at 31 December 2016 ($'000)	Valuation technique	Unobservable inputs (a)	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Singapore	Commercial dormitories	572,000 (2015: 574,215)	Discounted cash flow approach	Discount rate	7.5% (2015: 7.5% – 30%)	The higher the discount rate, the lower the valuation
				Rental rate per room per month	$2,640 – $7,040 (2015: $2,760 – $7,040)	The higher the rental rate per room per month, the higher the valuation
				Estimated costs to completion	Not applicable (2015: $21.0 million)	The higher the estimated costs to completion, the lower the valuation
			Income capitalisation approach	Capitalisation rate	6.5% – 28% (2015: 6.5% -27%)	The higher the capitalisation rate, the lower the valuation
Indonesia	Land	1,087 (2015: 955)	Sales comparison approach	Market value per square metre	$150 – $155 per square metre (2015: $130 - $135 per square metre)	The higher the market value per square metre, the higher the valuation

21. INVESTMENT PROPERTIES (CONTINUED)

Valuation techniques and inputs used in Level 3 fair value measurement *(continued)*

Country	Description	Fair value at 31 December 2016 ($'000)	Valuation technique	Unobservable inputs (a)	Range of unobservable inputs	Relationship of unobservable inputs to fair value
People's Republic of China	Industrial property	3,922 (2015: 4,106)	Sales comparison approach	Market value per square metre	$380 – $390 per square metre (2015: $390 – $400 per square metre)	The higher the market value per square metre, the higher the valuation
Malaysia	Commercial dormitories	64,571 (2015: 67,431)	Discounted cash flow approach	Discount rate	7.5% – 9% (2015: 7% – 9%)	The higher the discount rate, the lower the valuation
	Assets held for sale (Note 16)	3,380 (2015: nil)		Rental rate per room per month	$500 – $900 (2015: $480 - $2,200)	The higher the rental rate per room per month, the higher the valuation
			Cost approach	Market price per square metre	$160 – $165 per square metre (2015: $130 – $150 per square metre)	The higher the market price per square metre, the higher the valuation
				Depreciated replacement costs	$3.4 million to $3.5 million (2015: $1.1 million to $10.7 million)	The higher the depreciated replacement costs, the higher the valuation
Australia	Land	764 (2015: 1,120)	Sales comparison approach	Market price per square metre	$170 – $180 per square metre (2015: $250 – $260 per square metre)	The higher the market price per square metre, the higher the valuation
United Kingdom	Student accommodation	208,604 (2015: 170,946)	Investment approach	Applied yield rate	6.25% – 8.26% (2015: 6.75% – 8.00%)	The higher the yield rate, the lower the valuation

21. INVESTMENT PROPERTIES (CONTINUED)

***Valuation techniques and inputs used in Level 3 fair value measurement** (continued)*

Country	Description	Fair value at 31 December 2016 ($'000)	Valuation technique	Unobservable inputs (a)	Range of unobservable inputs	Relationship of unobservable inputs to fair value
	Assets held for sale (Note 16)	2,574 (2015: nil)		Rental rate per room per week	$160 – $400 per week (2015: $185 – $440 per week)	The higher the rental rate per room per week, the higher the valuation
Australia	Student accommodation	76,458 (2015: 72,698)	Discounted cash flow approach	Discount rate	10.95% (2015: 10.75%)	The higher the discount rate, the lower the valuation
				Rental rate per room per week	$300 – $495 (2015: $285 – $445 per week)	The higher the rental rate per room per week, the higher the valuation

(a) There were no significant inter-relationships between unobservable inputs.

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year based on the properties highest and best use. As at 31 December 2016, the fair values of the properties have been determined by Suntec Real Estate Consultants Pte Ltd, C H Williams Talhar & Wong Sdn Bhd, Knight Frank Malaysia Sdn. Bhd, Savills Valuation Pty Ltd, KJPP Billy Anthony Lie & Rekan, Shanghai Cairul Real Estate Land Appraisal Co., Ltd, Colliers International Valuation UK LLP and Latrobe Holdings Pty Ltd Trading as LMW Hegney.

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

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

21. INVESTMENT PROPERTIES (CONTINUED)

Valuation processes of the Group *(continued)*

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

Discounted cash flow 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.

Income capitalisation and investment approach involves capitalising the net income at an appropriate capitalisation rate to arrive at the fair value. The net income is derived by deducting gross rentals and other income, outgoings such as operating expenses and property tax, and after making allowances for vacancies.

Cost approach involves separately determining 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 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.

22. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building $'000	Leasehold land and building $'000	Leasehold improvements $'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									
2016									
Cost									
Beginning of financial year	–	1,770	1,479	5,232	5,830	484	942	665	16,402
Adjustments	–	431	–	261	–	–	–	–	692
Currency translation differences	–	80	–	(57)	(162)	–	(3)	(15)	(157)
Additions	–	–	46	680	2,257	278	637	558	4,456
Disposals	–	–	–	(178)	(385)	(414)	(298)	–	(1,275)
Transfer from/(to) capital work-in-progress	666	–	–	(5)	210	–	24	(895)	–
Transfer to assets held for sale (Note 16)	–	(2,281)	–	–	–	–	–	–	(2,281)
End of financial year	666	–	1,525	5,933	7,750	348	1,302	313	17,837
Accumulated depreciation									
Beginning of financial year	–	264	58	844	2,246	264	309	–	3,985
Adjustments	–	431	–	1,573	–	–	–	–	2,004
Currency translation differences	–	26	–	(27)	(83)	5	2	–	(77)
Disposals	–	–	–	(110)	(253)	(257)	(267)	–	(887)
Depreciation charge (Note 5)	4	139	195	706	1,504	94	400	–	3,042
Transfer to assets held for sale (Note 16)	–	(860)	–	–	–	–	–	–	(860)
End of financial year	4	–	253	2,986	3,414	106	444	–	7,207
Accumulated impairment									
Beginning of financial year	–	–	–	2,620	–	61	27	–	2,708
Adjustments	–	–	–	(1,312)	–	–	–	–	(1,312)
Currency translation differences	–	–	–	–	–	1	1	–	2
Disposals	–	–	–	–	–	(8)	(28)	–	(36)
End of financial year	–	–	–	1,308	–	54	–	–	1,362
Net book value									
End of financial year	**662**	**–**	**1,272**	**1,639**	**4,336**	**188**	**858**	**313**	**9,268**

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold land and building $'000	Leasehold improvements $'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								
2015								
Cost								
Beginning of financial year	1,827	–	5,849	3,685	563	662	–	12,586
Currency translation differences	(57)	–	(225)	(189)	(6)	(21)	–	(498)
Additions	–	–	531	2,105	23	410	2,899	5,968
Disposals	–	–	(172)	(169)	(96)	(3)	–	(440)
Reclassification	–	–	–	111	–	(111)	–	–
Transfer from/(to) capital work-in-progress	–	1,479	461	289	–	5	(2,234)	–
Transfer to current asset held for sale	–	–	(1,212)	(2)	–	–	–	(1,214)
End of financial year	1,770	1,479	5,232	5,830	484	942	665	16,402
Accumulated depreciation								
Beginning of financial year	147	–	810	1,557	288	52	–	2,854
Currency translation differences	(14)	–	(107)	(100)	(6)	(14)	–	(241)
Disposals	–	–	(131)	(69)	(85)	–	–	(285)
Depreciation charge (Note 5)	131	58	905	845	67	285	–	2,291
Reclassification	–	–	–	14	–	(14)	–	–
Transfer to current asset held for sale	–	–	(633)	(1)	–	–	–	(634)
End of financial year	264	58	844	2,246	264	309	–	3,985
Accumulated impairment								
Beginning of financial year	–	–	3,255	1	71	20	–	3,347
Currency translation differences	–	–	(59)	–	(2)	–	–	(61)
Reversal of impairment for the year (Note 7)	–	–	(35)	–	–	–	–	(35)
Disposals	–	–	–	–	(8)	–	–	(8)
Reclassification	–	–	(6)	(1)	–	7	–	–
Transfer to current asset held for sale	–	–	(535)	–	–	–	–	(535)
End of financial year	–	–	2,620	–	61	27	–	2,708
Net book value								
End of financial year	**1,506**	**1,421**	**1,768**	**3,584**	**159**	**606**	**665**	**9,709**

22. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Plant, machinery and equipment $'000	Renovation, furniture and fittings $'000	Motor vehicles $'000	Office equipment and computers $'000	Total $'000
Company					
2016					
Cost					
Beginning of financial year	6	879	820	676	2,381
Additions	–	–	–	86	86
End of financial year	6	879	820	762	2,467
Accumulated depreciation					
Beginning of financial year	6	857	747	538	2,148
Depreciation charge	–	7	33	76	116
End of financial year	6	864	780	614	2,264
Net book value					
End of financial year	**–**	**15**	**40**	**148**	**203**

	Plant, machinery and equipment $'000	Renovation, furniture and fittings $'000	Motor vehicles $'000	Office equipment and computers $'000	Total $'000
Company					
2015					
Cost					
Beginning of financial year	6	871	894	604	2,375
Additions	–	8	–	72	80
Disposals	–	–	(74)	–	(74)
End of financial year	6	879	820	676	2,381
Accumulated depreciation					
Beginning of financial year	6	850	788	466	2,110
Depreciation charge	–	7	33	72	112
Disposals	–	–	(74)	–	(74)
End of financial year	6	857	747	538	2,148
Net book value					
End of financial year	**–**	**22**	**73**	**138**	**233**

22. 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 $62,600 (2015: $16,100) (Note 25(c)).

(b) The leasehold land and building of the Group as at 31 December 2015 comprise:

Location	Tenure	Use of property
Indonesia MM 2100 Industrial Town Jl. Bali Blok HI-1 Cibitung Bekasi 17520	20 years lease from 30 September 2004, with an option to extend for a further 20 years	Industrial factory building
Indonesia Royal Palace Shophouse Complex, Block C No.15, Jl. Prof. Dr. Seopomo SH No.178A, Tebet, South Jakarta	17 years lease from 27 July 2004	Marketing office

The above property has been reclassified as Assets held for sale (Note 16) as at 31 December 2016.

(c) The freehold land and building of the Group as at 31 December 2016 comprise:

Location	Use of property
Malaysia No. 17, Jalan Ekoperniagaan 1/23 Taman Ekoperniagaan 81100 Johor Bahru, Johor	Centralised office

23. INTANGIBLE ASSETS

	Group	
	2016	2015
	$'000	$'000
Composition:		
Goodwill arising on consolidation (Note (a))	**207**	207
Favourable lease agreement (Note (b))	**1,649**	6,588
	1,856	6,795

23. INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill arising on consolidation

	Group	
	2016	2015
	$'000	$'000
Cost		
Beginning and end of financial year	**13,238**	13,238
Accumulated impairment		
Beginning and end of financial year	**13,031**	13,031
Net book value	**207**	207

Impairment tests for goodwill

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

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

Cash-generating unit ("CGU")	**2016 $'000**	2015 $'000	Growth rate **2016**	Growth rate 2015	Discount rate **2016**	Discount rate 2015
Dormitory accommodation						
Westlite Dormitory (Tebrau) Sdn Bhd	**207**	207	**5%**	4%	**9%**	8%

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

(b) Favourable lease agreement

	Group	
	2016	2015
	$'000	$'000
Cost		
Beginning and end of financial year	**25,521**	25,521
Accumulated amortisation		
Beginning of financial year	**18,933**	13,994
Amortisation charge	**4,939**	4,939
End of financial year	**23,872**	18,933
Net book value	**1,649**	6,588

23. INTANGIBLE ASSETS (CONTINUED)

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

	Group	
	2016	2015
	$'000	$'000
Cost of sales (Note 5)	**4,939**	4,939

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Trade payables to:				
– non-related parties	**1,827**	2,027	**32**	114
– associated companies	**120**	49	**–**	–
	1,947	2,076	**32**	114
Non-trade payables to:				
– associated companies	**1,789**	751	**–**	–
– subsidiaries	**–**	–	**5,403**	600
Advanced rental	**5,214**	5,337	**–**	–
Deferred income	**176**	67	**–**	–
Deposits received	**17,341**	12,765	**–**	1
Accruals for operating expenses	**11,622**	8,366	**3,449**	3,121
Accrued construction costs payable	**7,165**	23,869	**–**	–
Other payables	**1,993**	1,242	**594**	454
Total trade and other payables	**47,247**	54,473	**9,478**	4,290

Non-trade payables to subsidiaries and associated companies are unsecured, interest free and repayable on demand.

25. BORROWINGS

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Current				
Bank borrowings (Note (a))	**38,007**	30,805	**–**	–
Loan from an associated company	**–**	3,445	**–**	–
Finance lease liabilities (Note (c) and Note 26)	**26**	6	**–**	–
Notes payables (Note (b))	**–**	100,000	**–**	100,000
Less: Transaction costs	**–**	(384)	**–**	(384)
	–	99,616	**–**	99,616
Interest payable	**1,571**	2,877	**1,571**	2,877
	39,604	136,749	**1,571**	102,493
Non-current				
Bank borrowings (Note (a))	**501,313**	413,440	**–**	–
Finance lease liabilities (Note (c) and Note 26)	**34**	10	**–**	–
Loan from non-controlling interests (Note (e))	**4,900**	–	**–**	–
Loan from an associated company (Note (d))	**50,080**	56,855	**–**	–
Loan from a subsidiary (Note (e))	**–**	–	**70,000**	–
Notes payables (Note (b))	**64,750**	65,000	**64,750**	65,000
Less: Transaction costs	**(283)**	(461)	**(283)**	(461)
	64,467	64,539	**64,467**	64,539
	620,794	534,844	**134,467**	64,539
Total borrowings	**660,398**	671,593	**136,038**	167,032

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

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
– not later than one year	**39,604**	136,749	**1,571**	102,493
– between one to five years	**284,051**	272,398	**64,467**	64,539
– after five years	**336,743**	262,446	**70,000**	–
	660,398	671,593	**136,038**	167,032

25. BORROWINGS (CONTINUED)

(a) Bank borrowings

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

Total borrowings include secured liabilities of $539,380,000 (2015: $444,261,000) for the Group. These borrowings are secured over certain bank deposits (Note 12), investment properties (Note 21) and assets held for sale (Note 16).

(b) Notes payables

In 2015, the Company issued notes amounting to $65 million. The notes bear a fixed rate of 5.25% per annum payable semi-annually in arrear and have a tenure of 3 years.

In 2016, the Company refreshed its $500 million Multicurrency Medium Term Note ("MTN") programme established on 6 September 2013.

As at 31 December 2016, the Group is in compliance with all relevant financial covenants and the borrowings have been classified and presented appropriately based on the agreed terms.

(c) Finance lease liabilities

The finance lease liabilities are secured on certain property, plant and equipment purchased under finance leases of the Group (Note 22(a)). The Group's weighted average effective interest rate of finance lease liabilities at the balance sheet date is 2.8% (2015: 2.8%) per annum. The carrying amounts of the finance lease liabilities approximated their fair values.

(d) Loan from an associated company

The loan from an associated company is unsecured with fixed repayment terms. The interest on the loan from an associated company is calculated based on the floating rates. The carrying amounts of the non-current borrowings approximated their fair values.

(e) Loan from a subsidiary and loan from non-controlling interests

The loan from a subsidiary and loan from non-controlling interests are unsecured with no fixed terms of repayment and repayment has been agreed to not be within the next twelve months. The interest on the loan from a subsidiary and loan from non-controlling interests are calculated based on the floating rates. The carrying amounts of the non-current borrowings approximated their fair values.

(f) Fair value of current and non-current borrowings

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Notes payables	**64,543**	164,949	**64,543**	164,949

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

26. FINANCE LEASE LIABILITIES

	Group	
	2016	2015
	$'000	$'000
Minimum lease payments due:		
– Not later than one year	**28**	6
– Between one and five years	**37**	11
Less: Future finance charges	**(5)**	(1)
Present value of finance lease liabilities	**60**	16

The present value of finance lease liabilities are analysed as follows:

Not later than one year (Note 25)	**26**	6
Later than one year (Note 25)		
– Between one and five years	**34**	10
Total	**60**	16

27. OTHER LIABILITIES

	Group	
	2016	2015
	$'000	$'000
Current		
Provision for post-employment benefits (Note(b))	**–**	113
Provision for reinstatement costs	**286**	–
	286	113
Non-current		
Provision for long service leave (Note (a))	**30**	33
Provision for reinstatement costs	**22**	149
Accrued rental expenses	**448**	531
Others	**–**	20
	500	733

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

	Group	
	2016	2015
	$'000	$'000
Beginning of financial year	**33**	37
Currency translation differences	**1**	(2)
Provision reversed	**(4)**	(2)
End of financial year	**30**	33

27. OTHER LIABILITIES (CONTINUED)

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

	Group	
	2016	2015
	$'000	$'000
Beginning of financial year	**113**	239
Currency translation differences	**1**	(8)
Provision made (Note 9)	**12**	198
Paid during the financial year	**(126)**	(316)
End of financial year	**–**	113

Provision for post-employment benefits on an unfunded defined benefit plan is estimated based on the applicable labor law and regulation following the cessation of the Group's Indonesian optical disc manufacturing operations.

(c) Carrying amounts and fair values

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

28. DEFERRED INCOME TAXES

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

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities:				
– to be settled within one year	**850**	894	**3**	1
– to be settled after more than one year	**493**	1,488	**20**	26
	1,343	2,382	**23**	27
Deferred income tax asset:				
– to be recovered after more than one year	**(4)**	(19)	**–**	–

28. DEFERRED INCOME TAXES (CONTINUED)

Movement in the deferred income tax account is as follows:

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**2,363**	3,068	**27**	26
Currency translation differences	**(16)**	(120)	**–**	–
Credited to profit or loss (Note 10(a))	**(1,008)**	(585)	**(4)**	1
End of financial year	**1,339**	2,363	**23**	27

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 $7,970,000 (2015: $8,254,000) and capital allowances of $941,000 (2015: $262,000) 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.

The movement 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	Fair value gain-net $'000	Others $'000	Total $'000
2016					
Beginning of financial year	**671**	**1,152**	**839**	**(160)**	**2,502**
Currency translation differences	**2**	**–**	**(16)**	**–**	**(14)**
(Credited)/charged to profit or loss	**(103)**	**(840)**	**(81)**	**1**	**(1,023)**
End of financial year	**570**	**312**	**742**	**(159)**	**1,465**

28. DEFERRED INCOME TAXES (CONTINUED)

Group (continued)

Deferred income tax liabilities (continued)

	Accelerated tax depreciation $'000	Amortisation of intangible asset $'000	Fair value gain-net $'000	Others $'000	Total $'000
2015					
Beginning of financial year	582	1,992	831	(152)	3,253
Currency translation differences	(17)	–	(114)	–	(131)
Charged/(credited) to profit or loss	106	(840)	122	(8)	(620)
End of financial year	671	1,152	839	(160)	2,502

Deferred income tax assets

	Provisions $'000
2016	
Beginning of financial year	**(139)**
Currency translation differences	**(2)**
Charged to profit or loss	**15**
End of financial year	**(126)**
2015	
Beginning of financial year	(185)
Currency translation differences	11
Charged to profit or loss	35
End of financial year	(139)

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Total $'000
2016		
Beginning of financial year	**27**	**27**
Credited to profit or loss	**(4)**	**(4)**
End of financial year	**23**	**23**
2015		
Beginning of financial year	26	26
Charged to profit or loss	1	1
End of financial year	27	27

29. SHARE CAPITAL AND TREASURY SHARES

	Group and Company		Group		Company	
	No. of ordinary shares		Amount			
	Issued share capital '000	Treasury shares '000	Share Capital $'000	Treasury shares $'000	Share capital $'000	Treasury shares $'000
2016						
Beginning of financial year	**756,873**	**(5,071)**	**89,837**	**(2,107)**	**201,148**	**(2,107)**
Treasury shares purchased	**–**	**(11,838)**	**–**	**(4,391)**	**–**	**(4,391)**
End of financial year	**756,873**	**(16,909)**	**89,837**	**(6,498)**	**201,148**	**(6,498)**
2015						
Beginning of financial year	756,872	–	89,836	–	201,147	–
Treasury shares purchased	–	(5,071)	–	(2,107)	–	(2,107)
Issuance of shares pursuant to warrants exercised	1	–	1	–	1	–
End of financial year	756,873	(5,071)	89,837	(2,107)	201,148	(2,107)

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

On 1 August 2011, the Company completed the acquisition of Westlite Dormitory (Toh Guan) Pte Ltd (then known as Centurion Dormitory (Westlite) Pte Ltd) ("Transaction"). The acquisition was accounted for as a reverse acquisition in accordance with FRS 103 *Business Combinations*. Consequently, the Group's share capital amount differs from that of the Company. More information on the Transaction and the accounting can be found in the Company's published financial statements for the financial year ended 31 December 2011.

On 28 October 2013, the Company issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of one warrant for every ten existing ordinary shares in the capital of the Company held by entitled shareholders. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.50 for each ordinary share. Each warrant may be exercised at any time during the period of four years commencing on and including the date of issue of the warrants and expiring on the fourth anniversary of the date of issue of the warrants. The net proceeds of $406,249 (2015: $406,249) in relation to the issuance of new shares pursuant to warrants exercised, have not been utilised to date.

(a) Treasury shares

The Company acquired 11,837,500 (2015: 5,071,000) shares in the Company in the open market during the financial year. The total amount paid to acquire the shares was $4,391,000 (2015: $2,107,000) and this was presented as a component within shareholders' equity.

30. OTHER RESERVES

	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
(a) Composition				
Fair value reserve	**12**	34	**162**	184
Currency translation reserve	**(38,401)**	(19,465)	**–**	–
Capital reserve	**17,095**	17,095	**–**	–
	(21,294)	(2,336)	**162**	184
(b) Movements				
(i) Fair value reserve				
Beginning of financial year	**34**	152	**184**	302
Fair value losses on available-for-sale financial assets (Note 17)	**(22)**	(118)	**(22)**	(118)
End of financial year	**12**	34	**162**	184

	Group 2016 $'000	Group 2015 $'000
(ii) Currency translation reserve		
Beginning of financial year	**(19,465)**	(10,484)
Net exchange differences on translation of financial statements of foreign subsidiaries and associated companies	**(18,936)**	(8,981)
End of financial year	**(38,401)**	(19,465)
(iii) Capital reserve		
Beginning and end of financial year	**17,095**	17,095

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

Other reserves are non-distributable.

31. RETAINED PROFITS

(a) Retained profits of the Group are distributable except for the amount of $6,498,000 (2015: $2,107,000) utilised to purchase treasury shares and accumulated retained profits of associated companies amounting to $75,799,000 (2015: $80,714,000) which are included in the Group's retained profits.

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

	Company	
	2016	2015
	$'000	$'000
Beginning of financial year	**12,202**	16,916
Net profit	**18,161**	6,639
Dividends paid (Note 32)	**(14,876)**	(11,353)
End of financial year	**15,487**	12,202

32. DIVIDENDS

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Ordinary dividends paid				
Interim exempt dividend paid in respect of current financial year of 1.0 cent (2015: 0.5 cent) per share	**7,400**	3,784	**7,400**	3,784
Final exempt dividend paid in respect of the previous financial year of 1.0 cent (2015: 1.0 cent) per share	**7,476**	7,569	**7,476**	7,569
	14,876	11,353	**14,876**	11,353

At the Annual General Meeting on 29 April 2017, a final dividend of 1.0 cent (2015: 1.0 cent) per share amounting to a total of $7,399,000 (2015: $7,518,000) 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 2017.

33. COMMITMENTS

(a) Capital commitments

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

	Group	
	2016	2015
	$'000	$'000
Property, plant and equipment	**199**	35
Investment properties	**23,720**	41,073

(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	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Not later than one year	**5,822**	6,778	**520**	909
Between one and five years	**19,399**	19,103	**975**	–
Later than five years	**37,941**	42,543	**–**	–
	63,162	68,424	**1,495**	909

(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	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Not later than one year	**76,813**	66,469	**132**	455
Between one and five years	**16,421**	9,910	**247**	–
	93,234	76,379	**379**	455

33. COMMITMENTS (CONTINUED)

(d) Corporate guarantees

The Group has provided corporate guarantees in favour of financial institutions in respect of facilities granted to associated companies amounting to $79,614,000 (2015: $86,981,000). As at 31 December 2016, the amount of the guaranteed loans drawn down by associated companies amounted to $79,614,000 (2015: $83,090,000).

The Company has provided corporate guarantees in favour of financial institutions in respect of facilities granted to subsidiaries and associated companies amounting to $560,738,000 (2015: $511,268,000). As at 31 December 2016, the amount of the guaranteed loans drawn down by the subsidiaries and associated companies amounted to $556,551,000 (2015: $478,083,000).

(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.

34. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

(a) Market risk

(i) Currency risk

The Group operates in Singapore, Malaysia, Indonesia, Australia and the United Kingdom.

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

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	SGD $'000	USD $'000	MYR $'000	AUD $'000	GBP $'000	Other $'000	Total $'000
2016							
Financial assets							
Cash and bank balances	57,667	1,858	1,691	11,822	9,041	466	82,545
Available-for-sale financial assets	2,174	–	–	–	–	–	2,174
Trade and other receivables	4,164	9	2,030	1,351	280	1	7,835
Other financial assets	742	–	1,762	–	245	34	2,783
Inter-company balances	114,850	677	21,210	10,544	11,602	2,583	161,466
	179,597	2,544	26,693	23,717	21,168	3,084	256,803
Financial liabilities							
Trade and other payables	(34,641)	(922)	(2,356)	(756)	(3,492)	(476)	(42,643)
Borrowings	(536,930)	–	(22,463)	(20,926)	(80,079)	–	(660,398)
Inter-company balances	(114,850)	(677)	(21,210)	(10,544)	(11,602)	(2,583)	(161,466)
	(686,421)	(1,599)	(46,029)	(32,226)	(95,173)	(3,059)	(864,507)
Net financial (liabilities)/ assets	**(506,824)**	**945**	**(19,336)**	**(8,509)**	**(74,005)**	**25**	**(607,704)**
Less: Net financial assets denominated in the respective entities' functional currencies	506,579	–	19,336	14,878	74,477	470	
Currency risk exposures	**(245)**	**945**	**–**	**6,369**	**472**	**495**	

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) *Market risk (continued)*

(i) Currency risk (continued)

	SGD $'000	USD $'000	MYR $'000	AUD $'000	GBP $'000	Other $'000	Total $'000
2015							
Financial assets							
Cash and bank balances	112,044	1,575	6,529	8,355	9,484	448	138,435
Available-for-sale financial assets	2,196	–	–	–	–	–	2,196
Trade and other receivables	2,145	202	1,449	1,073	311	233	5,413
Other financial assets	743	–	2,127	–	273	81	3,224
Inter-company balances	53,927	915	21,226	9,306	29,460	2,534	117,368
	171,055	2,692	31,331	18,734	39,528	3,296	266,636
Financial liabilities							
Trade and other payables	(44,193)	(1,398)	(1,800)	(728)	(1,056)	(627)	(49,802)
Borrowings	(557,501)	–	(25,526)	(20,558)	(67,845)	(163)	(671,593)
Inter-company balances	(53,927)	(915)	(21,226)	(9,306)	(29,460)	(2,534)	(117,368)
	(655,621)	(2,313)	(48,552)	(30,592)	(98,361)	(3,324)	(838,763)
Net financial (liabilities)/ assets	**(484,566)**	**379**	**(17,221)**	**(11,858)**	**(58,833)**	**(28)**	
Less: Net financial assets denominated in the respective entities' functional currencies	484,239	–	17,221	14,124	60,783	606	
Currency risk exposures	**(327)**	**379**	**–**	**2,266**	**1,950**	**578**	

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	SGD $'000	USD $'000	AUD $'000	GBP $'000	Other $'000	Total $'000
2016						
Financial assets						
Cash and bank balances	27,736	454	6,322	70	2	34,584
Available-for-sale financial assets	2,174	–	–	–	–	2,174
Trade and other receivables	6,316	94	–	3	6	6,419
Other financial assets	348	–	–	–	–	348
	36,574	548	6,322	73	8	43,525
Financial liabilities						
Trade and other payables	(9,478)	–	–	–	–	(9,478)
Borrowings	(136,038)	–	–	–	–	(136,038)
	(145,516)	–	–	–	–	(145,516)
Net financial (liabilities)/assets	**(108,942)**	**548**	**6,322**	**73**	**8**	
Less: Net financial assets denominated in the entity's functional currency	108,942	–	–	–	–	
Currency risk exposures	**–**	**548**	**6,322**	**73**	**8**	

	SGD $'000	USD $'000	AUD $'000	GBP $'000	Other $'000	Total $'000
2015						
Financial assets						
Cash and bank balances	83,199	186	2,062	1,625	3	87,075
Available-for-sale financial assets	2,196	–	–	–	–	2,196
Trade and other receivables	12,084	309	–	3	–	12,396
Other financial assets	354	–	–	–	–	354
	97,833	495	2,062	1,628	3	102,021
Financial liabilities						
Trade and other payables	(4,290)	–	–	–	–	(4,290)
Borrowings	(167,032)	–	–	–	–	(167,032)
	(171,322)	–	–	–	–	(171,322)
Net financial (liabilities)/assets	**(73,489)**	**495**	**2,062**	**1,628**	**3**	
Less: Net financial assets denominated in the entity's functional currency	73,489	–	–	–	–	
Currency risk exposures	**–**	**495**	**2,062**	**1,628**	**3**	

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD, AUD and GBP change against SGD by 5% (2015: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position would be as follows:

	Increase/(Decrease)			
	2016		2015	
	Profit after tax $'000	**Other comprehensive income $'000**	Profit after tax $'000	Other comprehensive income $'000
Group				
USD against SGD				
– strengthened	**39**	**–**	16	–
– weakened	**(39)**	**–**	(16)	–
AUD against SGD				
– strengthened	**264**	**2,802**	94	2,488
– weakened	**(264)**	**(2,802)**	(94)	(2,488)
GBP against SGD				
– strengthened	**20**	**6,425**	81	4,829
– weakened	**(20)**	**(6,425)**	(81)	(4,829)

	Increase/(Decrease)			
	2016		2015	
	Profit after tax $'000	**Other comprehensive income $'000**	Profit after tax $'000	Other comprehensive income $'000
Company				
USD against SGD				
– strengthened	**23**	**–**	21	–
– weakened	**(23)**	**–**	(21)	–
AUD against SGD				
– strengthened	**262**	**–**	86	–
– weakened	**(262)**	**–**	(86)	–
GBP against SGD				
– strengthened	**3**	**–**	68	–
– weakened	**(3)**	**–**	(68)	–

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to debt 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 debt securities listed in Singapore change by 1% (2015: 4%) with all other variables including tax rate being held constant, the effects on other comprehensive income will be:

	Increase/(Decrease)	
	2016 Other comprehensive income $'000	2015 Other comprehensive income $'000
Group/Company		
Listed in Singapore		
– increased by	**22**	96
– decreased by	**(22)**	(96)

(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 Group's and Company's exposure to cash flow interest rate risks arise mainly from non-current variable rate borrowings.

If the interest rates have increased/decreased by 0.8% (2015: 0.4%) with all other variables including tax rate being held constant, the Group's profit after tax would have been lower/higher by $3,946,000 (2015: $1,675,000).

If the interest rates have increased/decreased by 0.8% (2015: nil%) with all other variables including tax rate being held constant, the Company's profit after tax would have been lower/higher by $465,000 (2015: $nil).

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

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

Credit exposure to an individual counterparty is restricted by credit limit that are approved by management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level. The Group and Company have no major concentration of credit risk. The Company has no material third party debtors. The top five debtors of the Group represented 29% (2015: 30%) of trade receivables in 2016.

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

	Group		Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Corporate guarantees provided to banks on subsidiaries' and associated companies' loans	**79,614**	83,090	**556,551**	478,083

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

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

	Group	
	2016	2015
	$'000	$'000
By geographical areas		
Singapore	**2,369**	1,452
Malaysia	**1,027**	816
Australia	**46**	93
United Kingdom	**237**	272
Others	**–**	322
	3,679	2,955

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Financial assets that are neither past due nor impaired

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

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	
	2016	2015
	$'000	$'000
Past due < 3 months	**1,207**	1,244
Past due 3 to 6 months	**144**	133
Past due > 6 months	**98**	97
	1,449	1,474

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

	Group	
	2016	2015
	$'000	$'000
Gross amount	**1,033**	976
Less: Allowance for impairment	**(1,033)**	(976)
	–	–
Beginning of financial year	**976**	1,180
Currency translation difference	**(26)**	(21)
Allowance made/(written back)	**126**	(39)
Allowance utilised	**(43)**	(144)
End of financial year	**1,033**	976

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

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 (comprises cash and bank deposits (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.

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				
2016				
Trade and other payables	**42,143**	**16**	**6**	**478**
Borrowings	**57,590**	**123,251**	**208,672**	**359,080**
Financial guarantee contracts (Note 33(d))	**79,614**	**–**	**–**	**–**
2015				
Trade and other payables	49,069	248	251	234
Borrowings	154,262	104,432	206,991	305,986
Financial guarantee contracts (Note 33(d))	83,090	–	–	–

34. 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
Company			
2016			
Trade and other payables	**9,478**	**–**	**–**
Borrowings	**3,413**	**68,163**	**–**
Financial guarantee contracts (Note 33(d))	**556,551**	**–**	**–**
2015			
Trade and other payables	4,290	–	–
Borrowings	108,663	3,413	68,270
Financial guarantee contracts (Note 33(d))	478,083	–	–

Loan from a subsidiary is not included in the table above as there are no fixed terms of repayment on the loan (Note 25(e)).

(d) *Capital risk*

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

Management monitors capital based on a net gearing ratio. The net gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings less cash and bank balances. Total capital is calculated as borrowings plus net assets of the Group.

The net gearing ratios are computed as follows:

	Group		Company	
	2016 $'000	2015 $'000	**2016 $'000**	2015 $'000
Net debt	**577,853**	533,158	**101,454**	79,957
Total capital	**1,059,880**	1,074,489	**346,337**	378,459
Net gearing ratio	**55%**	50%	**29%**	21%

34. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk (continued)

Financial covenants relating to the Group's and Company's borrowings include debt service coverage ratio, loan to value ratio, consolidated total equity, and consolidated net borrowings to consolidated total equity ratio.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2015 and 2016.

(e) Fair value measurements

	Level 1
	$'000
As at 31 December 2016	
Available-for-sale financial assets	**2,174**
As at 31 December 2015	
Available-for-sale financial assets	2,196

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

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

(f) Financial instruments by category

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

	Group		**Company**	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Loans and receivables	**93,163**	147,072	**41,351**	99,825
Financial liabilities at amortised cost	**703,041**	721,395	**145,516**	171,322

35. RELATED PARTY TRANSACTIONS

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

(a) Sales and purchases of goods and services

	Group	
	2016	2015
	$'000	$'000
Services provided to immediate holding corporation	**10**	10
Services provided to associated companies	**682**	738
Purchases from associated companies	**–**	155
Purchases from a company which a director has an interest	**4**	–
Interest charged by associated company	**1,489**	749

Outstanding balances at 31 December 2016 and 31 December 2015 arising from sales and purchases of goods are set out in Notes 13 and 24.

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	Group	
	2016	2015
	$'000	$'000
Wages and salaries	**3,870**	3,875
Employer's contribution to defined contribution plans, including Central Provident Fund	**103**	107
	3,973	3,982

Included in above, total compensation to directors of the Company amounted to $380,000 (2015: $348,000).

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

	Company	
	2016	2015
Number of directors of the Company in remuneration bands:		
Above $499,999	**–**	–
$250,000 to $499,999	**–**	–
Below $250,000	**5**	5
	5	5

36. SEGMENT INFORMATION

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

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

The results of the respective countries within the Student accommodation and Workers accommodation business segments are aggregated into a single operating segment respectively as they share similar economic characteristics.

The segment information provided to the Senior Management for the reportable segments for the year ended 31 December 2016 is as follows:

	Optical $'000	Workers accommodation $'000	Student accommodation $'000	Total $'000
Year ended 31 December 2016:				
Sales:				
Total segment sales	2,958	85,824	32,276	121,058
Inter-segment sales	(770)	–	–	(770)
Sales to external parties	2,188	85,824	32,276	120,288
Segment results	(164)	47,927	11,716	59,479
Finance expense	43	(13,614)	(7,812)	(21,383)
Interest income				1,371
Dividend income				115
Fair value (losses)/gains on investment properties	–	(32,436)	29,315	(3,121)
Share of (loss)/profit of associated companies	(13)	5,411	–	5,398
Profit before tax				41,859
Income tax expense				(7,048)
Net profit				**34,811**
Segment assets	7,850	668,696	302,620	979,166
Short-term bank deposits				60,544
Available-for-sale financial assets				2,174
Tax recoverable				610
Deferred income tax assets				4
Investments in associated companies				77,236
Consolidated total assets				**1,119,734**
Segment liabilities	1,366	36,704	9,963	48,033
Borrowings	43	460,822	199,533	660,398
Current income tax liabilities				10,478
Deferred income tax liabilities				1,343
Consolidated total liabilities				**720,252**
Other segment items:				
Capital expenditure	197	37,700	46,244	84,141
Depreciation	218	1,761	1,063	3,042
Amortisation	–	4,939	–	4,939

36. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Senior Management for the reportable segments for the year ended 31 December 2015 is as follows:

	Optical $'000	Workers accommodation $'000	Student accommodation $'000	Total $'000
Year ended 31 December 2015:				
Sales:				
Total segment sales	5,828	72,098	27,374	105,300
Inter-segment sales	(762)	–	–	(762)
Sales to external parties	5,066	72,098	27,374	104,538
Segment results	561	36,393	10,730	47,684
Finance expense	(16)	(8,634)	(7,290)	(15,940)
Interest income				857
Dividend income				111
Fair value (losses)/gains on investment properties	–	(2,657)	6,207	3,550
Share of profit of associated companies	37	5,949	–	5,986
Profit before tax				42,248
Income tax expense				(8,269)
Net profit				**33,979**
Segment assets	8,989	669,834	259,916	938,739
Short-term bank deposits				117,149
Available-for-sale financial assets				2,196
Tax recoverable				444
Deferred income tax assets				19
Investments in associated companies				83,097
Consolidated total assets				**1,141,644**
Segment liabilities	2,303	45,183	7,833	55,319
Borrowings	164	461,484	209,945	671,593
Current income tax liabilities				9,454
Deferred income tax liabilities				2,382
Consolidated total liabilities				**738,748**
Other segment items:				
Capital expenditure	1	209,322	10,604	219,927
Depreciation	363	1,607	321	2,291
Amortisation	–	4,939	–	4,939

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

36. SEGMENT INFORMATION (CONTINUED)

Geographical information

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

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the manufacture and sale of optical discs, provision of workers accommodation and provision of student accommodation;
- Australia – the operations in this area are principally the provision of student accommodation and property investments;
- Malaysia – the operations in this area are principally the provision of workers accommodation;
- United Kingdom – the operations in this area are principally the provision of student accommodation;
- Other countries – the operations are principally property investments.

	Sales	
	2016	2015
	$'000	$'000
Singapore	**84,098**	68,118
Australia	**8,502**	7,731
Malaysia	**6,947**	7,620
United Kingdom	**20,598**	19,321
Other countries	**143**	1,748
	120,288	104,538

	Non-current assets	
	2016	2015
	$'000	$'000
Singapore	**656,491**	670,744
Australia	**77,631**	74,264
Malaysia	**67,276**	70,036
United Kingdom	**209,480**	171,928
Other countries	**5,022**	6,580
	1,015,900	993,552

37. IMMEDIATE AND ULTIMATE HOLDING CORPORATION

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

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2017 or later periods and which the Group has not early adopted:

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018)

  This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

  This amendment is not expected to have any significant impact on the financial statements of the Group.

- FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)

  FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

  The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $63,162,000 (Note 33(b)). However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

- FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)

  The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and established three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

  While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, the financial assets held the Group include:

  - equity instruments currently classify as AFS for which fair value through OCI election is available;
  - debt instruments classified as loans and receivables and measured at amortised cost appear to meet the conditions for classification at amortised cost under FRS 109.

  The Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

  For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as the Group does not have any such liabilities.

  The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

39. ACQUISITIONS OF STUDENT ACCOMMODATIONS

Student accommodation in the United Kingdom

On 30 April 2016, the Group entered into sale and purchase agreements with various parties for the following acquisitions:

(i) Hotwells House, a long leasehold interest property located at 192-216 Hotwel Road, Bristol BS8 4UR, United Kingdom;

(ii) Beechwood House, a long leasehold interest property located at 9-11 Ladybarn Lane, Fallowfield, Manchester M14 6NQ, United Kingdom;

(iii) Weston Court, a long leasehold interest property located at 45-47 Cromwell Range, Fallowfield, Manchester M14 6HH, United Kingdom; and

(iv) Garth Heads, a long leasehold interest property located at Melbourne Street, Newcastle Upon Tyne NE1 2JE, United Kingdom.

The transaction was completed on 1 July 2016.

39. ACQUISITIONS OF STUDENT ACCOMMODATIONS (CONTINUED)

Student accommodation in the United Kingdom (continued)

The acquisition is in line with the Group's business strategy to expand its student accommodation business and to embark on opportunities in new markets. The acquisition will enable the Group to expand its presence into a key education and growing student market in Europe.

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

		$'000
(a)	Purchase consideration	
	Cash paid	40,124
	Total purchase consideration	**40,124**
(b)	Effect on cash flows of the Group	
	Cash paid (as above)	40,124
	Cash outflow on acquisition	**40,124**

		At fair value $'000
(c)	Identifiable assets acquired and liabilities assumed	
	Investment properties	41,341
	Total identifiable net assets	**41,341**

(d) Acquisition-related costs

Acquisition-related costs of $1,324,000 were incurred in connection with the above acquisition.

(e) Revenue and profit contribution

The acquired student accommodation assets in the United Kingdom contributed revenues of $2,086,000 and net profits of $3,387,000 which includes fair value gains of $3,447,000 to the Group from the period from 1 July 2016 to 31 December 2016.

Had the student accommodation in the United Kingdom been acquired from 1 January 2016, consolidated revenue and consolidated profit for the year ended 31 December 2016 would have been $122,939,000 and $36,048,000 respectively.

40. EVENTS OCCURRING AFTER BALANCE SHEET DATE

The Company had received a letter from the Ministry of National Development ("MND") that MND are prepared to offer Westlite Dormitory (Tuas) Pte Ltd ("WDTPL"), an indirect wholly-owned subsidiary of the Company, a short-term extension of the lease for Westlite Tuas for 9 months from 29 April 2017, being the expiry date of the lease. MND had advised WDTPL to work with the Building and Construction Authority ("BCA") to facilitate the extension of lease and the Company is currently working closely with BCA to expedite the matter.

41. 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 2017.

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2017

Class of shares	:	Ordinary shares
Issued and fully paid-up share capital (including Treasury Shares)	:	S$156,569,511.68
Issued and fully paid-up share capital (excluding Treasury Shares)	:	S$150,080,067.11
Number of issued shares (including Treasury Shares)	:	756,873,338
Number of issued shares (excluding Treasury Shares)	:	739,964,438
Number/Percentage of Treasury Shares	:	16,908,900 (2.29%)
Voting rights (excluding Treasury Shares)	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding			Number of Shareholders	%	Number of Shares	%
1	–	99	86	1.72	4,163	0.00
100	–	1,000	795	15.86	336,207	0.04
1,001	–	10,000	2,542	50.73	12,327,807	1.67
10,001	–	1,000,000	1,565	31.23	89,024,918	12.03
1,000,001		and above	23	0.46	638,271,343	86.26
			5,011	100.00	739,964,438	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	DB Nominees (S) Pte Ltd	319,513,000	43.18
2.	UOB Kay Hian Pte Ltd	112,419,418	15.19
3.	DBS Nominees Pte Ltd	91,683,694	12.39
4.	United Overseas Bank Nominees Pte Ltd	28,614,524	3.87
5.	Citibank Nominees Singapore Pte Ltd	19,089,025	2.58
6.	Lian Beng Group Ltd	19,000,000	2.57
7.	Raffles Nominees (Pte) Ltd	6,080,875	0.82
8.	OCBC Securities Private Ltd	5,980,592	0.81
9.	Maybank Kim Eng Securities Pte Ltd	4,594,561	0.62
10.	OCBC Nominees Singapore Pte Ltd	3,649,721	0.49
11.	Lim & Tan Securities Pte Ltd	3,457,900	0.47
12.	CIMB Securities (Singapore) Pte Ltd	3,454,577	0.47
13.	Yuan Xiaomin	3,204,300	0.43
14.	Hong Leong Finance Nominees Pte Ltd	2,335,500	0.31
15.	Lee Joh Ern	2,118,750	0.29
16.	Tan Boon Keng Kennedy	2,000,000	0.27
17.	Lee Kerk Chong	1,966,271	0.27
18.	Phillip Securities Pte Ltd	1,716,611	0.23
19.	DBS Vickers Securities (S) Pte Ltd	1,698,024	0.23
20.	Lee Kwi Thai	1,594,000	0.21
	Total	634,171,343	85.70

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2017

(As recorded in the Register of Substantial Shareholders)

SHAREHOLDING OF THE SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%[1]	No. of Shares	%[1]	No. of Shares	%[1]
Centurion Properties Pte Ltd[2]	388,869,206	52.552	10,000,000	1.351	398,869,206	53.903
Centurion Global Ltd[3]	–	–	398,869,206	53.903	398,869,206	53.903
Loh Kim Kang David[4]	14,553,900	1.967	398,869,206	53.903	413,423,106	55.871
Han Seng Juan[5]	3,672,000	0.496	406,094,206	54.880	409,766,206	55.376
Teo Peng Kwang[6]	56,357,664	7.616	–	–	56,357,664	7.616
Lian Beng Group Ltd[7]	19,000,000	2.568	19,000,000	2.568	38,000,000	5.135
Ong Sek Chong & Sons Pte Ltd[8]	–	–	38,000,000	5.135	38,000,000	5.135

Notes:

(1) Based on 739,964,438 issued ordinary shares (excluding treasury shares) as at 15 March 2017.

(2) 78,869,206 shares of Centurion Properties Pte Ltd ("**Centurion Properties**") are registered in the name of UOB Kay Hian Private Limited and 310,000,000 shares of Centurion Properties are registered in the name of DB Nominees (S) Pte Ltd. Centurion Properties is deemed to be interested in 10,000,000 shares held by Thinkpac Limited ("**Thinkpac**"), its wholly-owned subsidiary.

(3) Centurion Properties is a wholly-owned subsidiary of Centurion Global Ltd ("**Centurion Global**") and Thinkpac is a wholly-owned subsidiary of Centurion Properties. Centurion Global is, therefore, deemed to be interested in 388,869,206 shares held by Centurion Properties and 10,000,000 shares held by Thinkpac.

(4) Loh Kim Kang David ("**Mr Loh**") holds a 50% shareholding interest in Centurion Global. Mr Loh is, therefore, deemed to be interested in 388,869,206 shares held by Centurion Properties and 10,000,000 shares held by Thinkpac. 10,053,900 shares of Mr Loh are registered in the name of UOB Kay Hian Private Limited, 3,000,000 shares of Mr Loh are registered in the name of CIMB Securities (Singapore) Pte. Ltd. and 1,500,000 shares of Mr Loh are registered in the name of Raffles Nominees (Pte.) Limited.

(5) Han Seng Juan ("**Mr Han**") holds a 50% shareholding interest in Centurion Global. Mr Han is, therefore, deemed to be interested in 388,869,206 shares held by Centurion Properties and 10,000,000 shares held by Thinkpac. Mr Han also has a deemed interest in 7,225,000 shares held by his spouse, Kang Lee Cheng Susanna. 3,000,000 shares of Mr Han are registered in the name of Citibank Nominees Singapore Pte Ltd.

(6) 56,045,164 shares of Teo Peng Kwang ("**Mr Teo**") are registered in the name of DBS Nominees Pte Ltd, 87,500 shares of Mr Teo are registered in the name of United Overseas Bank Nominees Pte Ltd and 225,000 shares of Mr Teo are registered in the name of DBS Vickers Securities (S) Pte Ltd.

(7) 19,000,000 shares of Lian Beng Group Ltd ("**Lian Beng**") are registered in the name of DBS Nominees Pte Ltd.

(8) Ong Sek Chong & Sons Pte Ltd is a controlling shareholder holding 28.6% shareholding interest in Lian Beng and is, therefore, deemed to be interested in 38,000,000 shares held by Lian Beng.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 15 March 2017, approximately 29.228% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

STATISTICS OF WARRANTHOLDINGS

AS AT 15 MARCH 2017

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholding			Number of Warrantholders	%	Number of Warrants	%
1	–	99	831	21.62	30,150	0.04
100	–	1,000	2,271	59.09	927,476	1.24
1,001	–	10,000	649	16.89	1,775,644	2.37
10,001	–	1,000,000	84	2.19	6,861,790	9.18
1,000,001		and above	8	0.21	65,197,674	87.17
			3,843	100.00	74,792,734	100.00

TWENTY LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	Number of Warrants	%
1.	Centurion Properties Pte Ltd	42,386,920	56.67
2.	DBS Nominees Pte Ltd	7,794,326	10.42
3.	UOB Kay Hian Pte Ltd	6,465,455	8.65
4.	United Overseas Bank Nominees Pte Ltd	2,570,022	3.44
5.	Loh Kim Kang David	1,971,350	2.64
6.	DB Nominees (S) Pte Ltd	1,625,500	2.17
7.	Citibank Nominees Singapore Pte Ltd	1,337,474	1.79
8.	Lee Kerk Chong	1,046,627	1.40
9.	OCBC Securities Private Ltd	668,457	0.89
10.	Maybank Kim Eng Securities Pte Ltd	655,358	0.88
11.	Raffles Nominees (Pte) Ltd	597,150	0.80
12.	Yuan Xiaomin	335,400	0.45
13.	Tng Choon Mui	300,000	0.40
14.	OCBC Nominees Singapore Pte Ltd	282,676	0.38
15.	Lee Joh Ern	226,875	0.30
16.	Tan Bee Tin	219,500	0.29
17.	Lian Kah Geok	205,000	0.27
18.	Chua Buan Ling Alicia	194,800	0.26
19.	Cheng Wa Sing	188,200	0.25
20.	Lim Yam Chaw	170,000	0.23
	Total	69,241,090	92.58

NOTICE OF **ANNUAL GENERAL MEETING**

CENTURION CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 198401088W)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CENTURION CORPORATION LIMITED (the "Company") will be held at Bras Basah Room, Raffles City Convention Centre (Level 4), 80 Bras Basah Road, Singapore 189560 on 26 April 2017 (Wednesday) at 10.00 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2016 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share for the financial year ended 31 December 2016 (FY2015: interim dividend of 0.5 Singapore cent and final dividend of 1.0 Singapore cent per ordinary share). **(Resolution 2)**

3(i). To re-elect the following Directors retiring by rotation pursuant to Article 89 of the Company's Constitution:

Mr Wong Kok Hoe **(Resolution 3)**
Mr Chandra Mohan s/o Rethnam **(Resolution 4)**
[See Explanatory Note (i)]

(ii). To re-elect Mr Owi Kek Hean, a Director retiring pursuant to Article 88 of the Company's Constitution.
[See Explanatory Note (ii)] **(Resolution 5)**

4. To approve the payment of Directors' fees of S$379,950 for the financial year ended 31 December 2016 (FY2015: S$360,782). **(Resolution 6)**

5. To re-appoint PricewaterhouseCoopers LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Share Issue Mandate**

That pursuant to Section 161 of the Companies Act, Chapter 50 (the "Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:

A. (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise, and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

AS SPECIAL BUSINESS (CONTINUED)

7. **Share Issue Mandate (Continued)**

B. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty percent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
[See Explanatory Note (iii)] **(Resolution 8)**

CENTURION CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 198401088W)

AS SPECIAL BUSINESS (CONTINUED)

8. **Renewal of Share Purchase Mandate**

That:

(a) for the purposes of the Companies Act, the exercise by the Directors of the Company of all the powers to purchase or otherwise acquire issued shares in the capital of the Company from time to time of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of this Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price (as defined in the Summary Sheet to this Notice of Annual General Meeting (the "Summary Sheet")), whether by way of:

(i) market purchases on the SGX-ST; and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and listing rules of the SGX-ST, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(b) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held; or

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or

(iii) the date on which the purchases or acquisitions of shares by the Company have been carried out to the full extent mandated; and

(c) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or any of them may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.
[See Explanatory Note (iv)] **(Resolution 9)**

By Order of the Board

Hazel Chia Luang Chew
Juliana Tan Beng Hwee
Company Secretaries

Singapore, 10 April 2017

Explanatory Notes:

(i) Ordinary Resolution 3 is to re-elect Mr Wong Kok Hoe as a Director of the Company. Mr Wong will, upon re-election, remain as a member of the Remuneration Committee. Save as disclosed in the Company's Annual Report, there are no relationships (including immediate family relationships) between Mr Wong and the other Directors or the Company.

Ordinary Resolution 4 is to re-elect Mr Chandra Mohan s/o Rethnam as a Director of the Company. Mr Chandra Mohan will, upon re-election, remain as Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships (including immediate family relationships) between Mr Chandra Mohan and the other Directors, the Company or its 10% shareholders.

(ii) Ordinary Resolution 5 is to re-elect Mr Owi Kek Hean as a Director of the Company. Mr Owi will, upon re-election, remain as a member of the Audit and Nominating Committees. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships (including immediate family relationships) between Mr Owi and the other Directors, the Company or its 10% shareholders.

(iii) Ordinary Resolution 8 is to empower the Directors of the Company from the date of the above meeting until the date of the next Annual General Meeting to issue shares and/or to make or grant Instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such Instruments, up to a number not exceeding fifty percent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders shall not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(1) new shares arising from the conversion or exercise of any convertible securities;

(2) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(3) any subsequent bonus issue, consolidation or subdivision of shares.

(iv) Ordinary Resolution 9 is to empower the Directors from the date of the above meeting until the date of the next Annual General Meeting to purchase issued ordinary shares of the Company by way of market purchases or off-market purchases of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price in accordance with the terms and conditions set out in the Summary Sheet, the Companies Act and the Listing Manual of the SGX-ST. Please refer to the Summary Sheet for details.

* *Information on the Directors who are proposed to be re-appointed can be found under "Board of Directors" section in this Annual Report.*

Notes -

1. (a) A member of the Company ("Member") entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead.

   (b) A Relevant Intermediary* may appoint more than two (2) proxies but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her.

   * *"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.*

2. A proxy need not be a Member.

3. If the appointor is a corporation, the instrument appointing a proxy or proxies must be executed under seal or the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 45 Ubi Road 1, #05-01, Singapore 408696 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Member (i) consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty. In addition, by attending the Annual General Meeting and/or any adjournment thereof, a Member consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for any of the Purposes.

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PROXY FORM

(Please see notes overleaf before completing this Form)

CENTURION CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 198401088W)

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act, Cap. 50) may appoint more than two (2) proxies to attend and vote at the Annual General Meeting.
2. For CPF investors who have used their CPF monies to buy ordinary shares in the capital of Centurion Corporation Limited, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF investors who wish to attend and vote at the Annual General Meeting should contact their respective CPF Approved Nominees within the specified timeframe.

*I/We, ______________________ (Name) ______________________ (NRIC/Passport/Registration No.)

of ____ (Address)

being a member/members of **CENTURION CORPORATION LIMITED** (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Bras Basah Room, Raffles City Convention Centre (Level 4), 80 Bras Basah Road, Singapore 189560 on 26 April 2017 (Wednesday) at 10.00 am and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting and at any adjournment thereof.

(Voting will be conducted by poll. If you wish to vote all your shares "For" or "Against" the relevant resolution, please tick [✓] within the relevant box provided below. Alternatively, if you wish to vote some of your shares "For" and some of your shares "Against" the relevant resolution, please indicate the number of shares in the relevant boxes provided below.)

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2016		
2	Payment of proposed final dividend		
3	Re-election of Mr Wong Kok Hoe as a Director		
4	Re-election of Mr Chandra Mohan s/o Rethnam as a Director		
5	Re-election of Mr Owi Kek Hean as a Director		
6	Approval of Directors' fees		
7	Re-appointment of PricewaterhouseCoopers LLP as Auditors		
8	Share Issue Mandate		
9	Renewal of Share Purchase Mandate		

* Delete where inapplicable

Dated this __________ day of __________ 2017

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)/
and, Common Seal of Corporate Shareholder

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Affix
Postage
Stamp

CENTURION CORPORATION LIMITED
Co. Reg. No: 198401088W
45 Ubi Road 1, #05-01,
Singapore 408696

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Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a relevant intermediary entitled to attend and vote at the Meeting is entitled to appoint more than two (2) proxies to attend and vote instead of such member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number and class of shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 45 Ubi Road 1, #05-01, Singapore 408696 not less than forty-eight (48) hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member(s) accept(s) and agree(s) to the personal data privacy terms set out in the Notice of Annual General Meeting.

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Centurion Corporation Limited
Co. Reg. No.198401088W
45 Ubi Road 1, #05-01
Singapore 408696
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Fax : (65) 6743 5818
Email : enquiry@centurioncorp.com.sg
Website : www.centurioncorp.com.sg