CENTURION CORPORATION LIMITED

勝捷企業有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Co. Reg. No. : 198401088W)

(SGX Stock Code: OU8)

(SEHK Stock Code: 6090)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

**For identification purpose only*

Unaudited Full Year Financial Statements and Dividend Announcement
for the year ended 31 December 2020

The board (the "Board") of directors (the "Directors") of Centurion Corporation Limited ("Centurion" or the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2020, together with the comparative figures for the year ended 31 December 2019 as follows:

1. Consolidated Income Statement

	Group			Group		
	Second half year ended 31 December			Twelve months ended 31 December		
	2020	2019	Change	2020	2019	Change
	$'000	$'000	%	$'000	$'000	%
Revenue	61,765	69,161	(11)	128,355	133,353	(4)
Cost of sales	(20,233)	(19,219)	5	(38,756)	(36,417)	6
Gross profit	41,532	49,942	(17)	89,599	96,936	(8)
Other income and gains	3,888	245	1,487	4,756	850	460
Expenses						
- Distribution expenses	(618)	(906)	(32)	(1,284)	(1,462)	(12)
- Administrative expenses	(9,499)	(12,500)	(24)	(21,186)	(23,619)	(10)
- Finance expenses	(11,080)	(14,291)	(22)	(23,319)	(28,759)	(19)
Share of profit/(loss) of associated companies and joint venture	1,213	(2,111)	N/M	4,819	789	511
	25,436	20,379	25	53,385	44,735	19
Net fair value (losses)/gains on investment properties and assets held for sale	(27,641)	66,266	N/M	(27,641)	66,266	N/M
Profit before income tax	(2,205)	86,645	N/M	25,744	111,001	(77)
Income tax expense	(2,969)	(3,415)	(13)	(7,033)	(7,213)	(2)
Total (loss)/profit	(5,174)	83,230	N/M	18,711	103,788	(82)
Profit attributable to:						
Equity holders of the Company	(3,834)	81,884	N/M	17,171	99,951	(83)
Non-controlling interests	(1,340)	1,346	N/M	1,540	3,837	(60)
Total profit	(5,174)	83,230	N/M	18,711	103,788	(82)

Note 1:

Total profit	(5,174)	83,230	N/M	18,711	103,788	(82)
Adjusted for:						
- *Fair value losses/(gains) on investment properties and assets held for sale including those of associated companies and joint venture*	30,355	(61,518)	N/M	30,355	(61,518)	N/M
- *Fair value loss on rent guarantee*	107	226	(53)	107	226	(53)
- *Deferred tax arising from fair value changes*	(566)	1,086	N/M	(566)	1,086	N/M
- *Loss on disposal of assets held for sale*	97	-	-	97	-	-
- *Gain on disposal of a subsidiary*	(1,398)	-	-	(1,398)	-	-
Profit from core business operations	23,421	23,024	2	47,306	43,582	9

Note 2:

Profit attributable to equity holders of the Company	(3,834)	81,884	N/M	17,171	99,951	(83)
Adjusted for:						
- *Fair value losses/(gains) on investment properties and assets held for sale including those of associated companies and joint venture attributable to equity holders*	25,909	(63,031)	N/M	25,909	(63,031)	N/M
- *Fair value loss on rent guarantee*	107	226	(53)	107	226	(53)
- *Deferred tax arising from fair value changes*	(566)	1,086	N/M	(566)	1,086	N/M
- *Loss on disposal of assets held for sale*	97	-	-	97	-	-
- *Gain on disposal of a subsidiary*	(1,398)	-	-	(1,398)	-	-
Profit from core business operations attributable to equity holders	20,315	20,165	1	41,320	38,232	8

2. Consolidated Statement of Comprensive Income

	Group Second half year ended 31 December			Group Twelve months ended 31 December		
	2020 $'000	2019 $'000	Change %	2020 $'000	2019 $'000	Change %
Total profit	(5,174)	83,230	N/M	18,711	103,788	(82)
Items that may be reclassified subsequently to profit or loss:						
Currency translation gains arising from consolidation	16,120	7,741	108	10,376	3,288	216
Share of other comprehensive loss of associated companies and joint venture	(1,159)	(24)	4,729	(217)	(602)	(64)
Cash flow hedges						
- Fair value losses	(782)	(664)	18	(6,779)	(1,782)	280
- Reclassification	1,124	144	681	1,762	144	1,124
Financial assets at fair value through other comprehensive income ("FVOCI") - debt instruments						
- Fair value (losses)/gains	(290)	57	N/M	(600)	386	N/M
- Reclassification	43	21	105	77	171	(55)
Other comprehensive income, net of tax	15,056	7,275	107	4,619	1,605	188
Total comprehensive income	9,882	90,505	(89)	23,330	105,393	(78)
Total comprehensive income attributable to:						
Equity holders of the Company	11,258	89,170	(87)	21,815	101,557	(79)
Non-controlling interests	(1,376)	1,335	N/M	1,515	3,836	(61)
Total comprehensive income	9,882	90,505	(89)	23,330	105,393	(78)

N/M : Not meaningful

3. Balance Sheets

	Group		Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
	$'000	$'000	$'000	$'000
ASSETS				
Current assets				
Cash and bank balances	83,868	48,588	28,247	14,903
Trade and other receivables	11,687	8,060	16,714	21,229
Inventories	65	44	-	-
Other assets	5,307	6,748	150	236
Financial assets, at fair value through other comprehensive income	6,779	9,165	6,779	9,165
	107,706	72,605	51,890	45,533
Assets held for sale	1,292	5,447	-	-
	108,998	78,052	51,890	45,533
Non-current assets				
Trade and other receivables	-	-	372,677	372,329
Other assets	1,022	994	130	130
Financial assets, at fair value through profit or loss	24	156	-	-
Investments in associated companies	111,462	108,918	1,298	1,298
Investment in a joint venture	4,758	4,819	-	-
Investments in subsidiaries	-	-	16,697	16,645
Investment properties	1,307,770	1,275,879	-	-
Property, plant & equipment	7,678	10,149	1,117	1,631
	1,432,714	1,400,915	391,919	392,033
Total assets	**1,541,712**	**1,478,967**	**443,809**	**437,566**
Current liabilities				
Trade and other payables	37,154	40,496	11,549	11,655
Other liabilities	52	-	-	-
Current income tax liabilities	9,657	7,092	753	896
Derivative financial instruments	165	-	165	-
Borrowings	71,788	55,780	39,850	6,280
Lease liabilities	10,282	6,738	495	478
	129,098	110,106	52,812	19,309
Non-current liabilities				
Other liabilities	490	131	-	-
Deferred income tax liabilities	9,168	9,796	83	81
Derivative financial instruments	6,490	1,638	351	276
Borrowings	682,878	683,259	111,022	135,428
Lease liabilities	84,803	60,172	426	921
	783,829	754,996	111,882	136,706
Total liabilities	**912,927**	**865,102**	**164,694**	**156,015**
NET ASSETS	**628,785**	**613,865**	**279,115**	**281,551**
EQUITY				
Share capital	142,242	142,242	253,553	253,553
Other reserves	(26,488)	(31,132)	(1,188)	(425)
Retained profits	489,842	481,081	26,750	28,423
	605,596	592,191	279,115	281,551
Non-controlling interests	23,189	21,674	-	-
Total equity	**628,785**	**613,865**	**279,115**	**281,551**
Gearing ratio*	55%	55%		
Net gearing ratio**	48%	51%		

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

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

4. Consolidated Statement of Cash Flows

	Second half year ended 31 December 2020 $'000	Second half year ended 31 December 2019 $'000	Twelve months ended 31 December 2020 $'000	Twelve months ended 31 December 2019 $'000
Total profit	(5,174)	83,230	18,711	103,788
Adjustment for:				
- Income tax expense	2,969	3,415	7,033	7,213
- Depreciation	1,587	1,662	3,313	3,113
- Impairment of plant and equipment	508	-	508	-
- Allowance for impairment of trade and other receivables	(176)	125	1,300	177
- Net loss on disposal of plant and equipment	6	11	9	68
- Loss on disposal of assets held for sale	97	-	97	-
- Gain on disposal of a subsidiary	(1,398)	(142)	(1,398)	(142)
- Fair value (losses)/gains on investment properties and assets held for sale	27,641	(66,266)	27,641	(66,266)
- Interest income	(431)	(506)	(875)	(1,137)
- Finance expenses	11,080	14,291	23,319	28,759
- Share of (losses)/profit of associated companies and joint venture	(1,213)	2,111	(4,819)	(789)
- Loss on disposal of financial assets, at fair value through other comprehensive income	43	21	77	171
- Fair value loss on financial assets at fair value through profit or loss	132	230	132	230
- Unrealised currency translation differences	166	232	144	167
Operating cash flow before working capital changes	35,837	38,414	75,192	75,352
Change in working capital				
- Inventories	2	41	(21)	43
- Trade and other receivables	(1,417)	(127)	(4,232)	3,538
- Other assets	(431)	(173)	(2,025)	(124)
- Trade and other payables	(1,382)	7,961	(3,402)	(1,523)
Cash generated from operations	32,609	46,116	65,512	77,286
Income tax paid	(4,303)	(3,234)	(5,032)	(7,039)
Net cash provided by operating activities	28,306	42,882	60,480	70,247
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	75	9	79	101
Additions to investment properties	(9,785)	(31,839)	(11,377)	(37,208)
Additions to property, plant and equipment	(606)	(2,966)	(1,334)	(3,693)
Interest received	409	625	866	1,207
Dividends received from associated companies	405	3,073	2,166	7,817
Short-term bank deposits released/(charged) as security to bank	1,239	(307)	1,255	(289)
Deposits refunded/(paid) for acquisition of investment property	2,654	(2,219)	3,575	(2,219)
Purchase of financial assets, at FVOCI	-	-	(2,250)	-
Proceeds from disposal of financial assets, at FVOCI	1,500	500	4,000	500
Proceeds from disposal of assets held for sale	3,284	-	3,284	-
Disposal of subsidiary, net of cash disposed of	5,828	-	5,828	-
Net cash provided by/(used in) investing activities	5,003	(33,124)	6,092	(33,784)
Cash flows from financing activities				
Proceeds from borrowings	30,083	34,447	52,360	78,917
Proceeds from loan from non-controlling interests	103	328	103	628
Repayment of loan from associated company	-	-	-	(861)
Repayment of borrowings	(28,422)	(24,478)	(42,241)	(81,755)
Interest paid on borrowings	(9,947)	(12,893)	(21,029)	(26,202)
Interest paid on lease liabilities	(1,290)	(920)	(2,440)	(1,609)
Repayment of principal portion of lease liabilities	(4,076)	(2,523)	(7,457)	(4,322)
Dividends paid to equity holders of the Company	-	(8,408)	(8,410)	(16,816)
Net cash used in financing activities	(13,549)	(14,447)	(29,114)	(52,020)
Net increase/(decrease) in cash and cash equivalents held	19,760	(4,689)	37,458	(15,557)
Cash and cash equivalents at beginnning of the period/year	63,824	50,266	46,378	61,358
Effects of currency translation on cash and cash equivalents	284	801	32	577
Cash and cash equivalents at end of the period/year	83,868	46,378	83,868	46,378
The consolidated cash and cash equivalents comprise the following:-				
Cash and bank balances	83,868	48,588	83,868	48,588
Bank overdraft	-	(955)	-	(955)
Restricted cash and short-term bank deposits charged as security	-	(1,255)	-	(1,255)
	83,868	46,378	83,868	46,378

5. Consolidated Statement of Changes in Equity

GROUP	← Share capital $'000	Attributable to equity holders of the Company Other reserves $'000	Retained profits $'000	→ Total $'000	Non-controlling interests $'000	Total Equity $'000
2020						
Balance as at 1 Jan 2020	142,242	(31,132)	481,081	592,191	21,674	613,865
Dividends relating to 2019 paid	-	-	(8,410)	(8,410)	-	(8,410)
Profit for the year	-	-	17,171	17,171	1,540	18,711
Other comprehensive income/(loss) for the year	-	4,644	-	4,644	(25)	4,619
Balance as at 31 December 2020	**142,242**	**(26,488)**	**489,842**	**605,596**	**23,189**	**628,785**

GROUP	Share capital $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total Equity $'000
2019						
Balance as at 1 Jan 2019	142,242	(32,536)	397,946	507,652	17,636	525,288
Dividends relating to 2019 paid	-	-	(8,408)	(8,408)	-	(8,408)
Dividends relating to 2018 paid	-	-	(8,408)	(8,408)	-	(8,408)
Acquisition of additional shares in a subsidiary from non-controlling interest	-	(202)	-	(202)	202	-
Profit for the year	-	-	99,951	99,951	3,837	103,788
Other comprehensive income/(loss) for the year	-	1,606	-	1,606	(1)	1,605
Balance as at 31 December 2019	**142,242**	**(31,132)**	**481,081**	**592,191**	**21,674**	**613,865**

COMPANY	Share capital $'000	Other reserves $'000	Retained profits $'000	Total $'000
2020				
Balance as at 1 Jan 2020	253,553	(425)	28,423	281,551
Dividends relating to 2019 paid	-	-	(8,410)	(8,410)
Profit for the year	-	-	6,737	6,737
Other comprehensive loss for the year	-	(763)	-	(763)
Balance as at 31 December 2020	**253,553**	**(1,188)**	**26,750**	**279,115**

COMPANY	Share capital $'000	Other reserves $'000	Retained profits $'000	Total $'000
2019				
Balance as at 1 Jan 2019	253,553	(557)	17,942	270,938
Dividends relating to 2019 paid	-	-	(8,408)	(8,408)
Dividends relating to 2018 paid	-	-	(8,408)	(8,408)
Profit for the year	-	-	27,297	27,297
Other comprehensive income for the year	-	132	-	132
Balance as at 31 December 2019	**253,553**	**(425)**	**28,423**	**281,551**

6. <u>Segment Information</u>

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

The business of the Group is organised into the following business segments:

a) Workers Accommodation

b) Student Accommodation

c) Others

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Year ended 31 December 2020				
Revenue:				
Sales to external parties	91,537	35,768	1,050	128,355
Timing of revenue recognition in relation to revenue from contracts with customers				
- Point of time	4,572	563	958	6,093
- Over time	3,362	1,569	-	4,931
	7,934	2,132	958	11,024
Segment results	55,582	14,469	(342)	69,709
Loss on disposal of assets held for sale	-	(97)	-	(97)
Gain on disposal of a subsidiary	-	-	1,398	1,398
Finance expense	(14,207)	(9,112)	-	(23,319)
Interest income				875
Fair value losses on investment properties and assets held for sale	(10,247)	(17,394)	-	(27,641)
Share of profit of associated companies and joint venture	4,054	660	105	4,819
Profit before tax				25,744
Income tax expense				(7,033)
Net profit				**18,711**
Segment assets	848,307	521,952	3,230	1,373,489
Short-term bank deposits				44,408
Financial assets, at FVOCI				6,779
Tax recoverable				816
Investments in associated companies	79,180	31,063	1,219	111,462
Investment in a joint venture	-	4,758	-	4,758
Consolidated total assets				**1,541,712**
Segment liabilities	121,879	17,078	479	139,436
Borrowings	435,202	319,464	-	754,666
Current income tax liabilities				9,657
Deferred income tax liabilities				9,168
Consolidated total liabilities				**912,927**
Other segment items:				
Capital expenditure	7,775	5,106	-	12,881
Depreciation	2,228	1,050	35	3,313

6) **Segment Information** (continued)

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Year ended 31 December 2019				
Revenue:				
Sales to external parties	86,114	45,800	1,439	133,353
Timing of revenue recognition in relation to revenue from contracts with customers				
- Point of time	3,514	1,566	1,177	6,257
- Over time	683	1,473	-	2,156
	4,197	3,039	1,177	8,413
Segment results	52,230	19,042	296	71,568
Finance expense	(18,557)	(10,201)	(1)	(28,759)
Interest income				1,137
Fair value gains/(losses) on investment properties and assets held for sale	66,424	(180)	22	66,266
Share of profit/(losses) of associated companies and joint venture	5,213	(4,372)	(52)	789
Profit before tax				111,001
Income tax expense				(7,213)
Net profit				**103,788**
Segment assets	796,522	528,172	6,081	1,330,775
Short-term bank deposits				24,611
Financial assets, at FVOCI				9,165
Tax recoverable				679
Investments in associated companies	77,245	30,555	1,118	108,918
Investment in a joint venture	-	4,819	-	4,819
Consolidated total assets				**1,478,967**
Segment liabilities	82,792	26,220	163	109,175
Borrowings	453,165	285,874	-	739,039
Current income tax liabilities				7,092
Deferred income tax liabilities				9,796
Consolidated total liabilities				**865,102**
Other segment items:				
Capital expenditure	5,682	35,778	-	41,460
Depreciation	2,040	1,038	35	3,113

7. NOTES TO THE UNAUDITED FULL YEAR CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

a) General information

Centurion is incorporated and domiciled in the Republic of Singapore and is dual listed on both the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and The Stock Exchange of Hong Kong Limited ("SEHK"). The address of its registered office is 45 Ubi Road 1, #05-01, Singapore 408696.

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

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

b) Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The financial statements of the Company and the Group have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and International Financial Reporting Standards ("IFRS") under the historical cost convention.

For the purpose of SFRS(I), financial statements that have been prepared in accordance and complied with IFRS are deemed to have also complied with SFRS(I). SFRS(I) comprise standards and interpretations that are equivalent to IFRS. All references to SFRS(I) and IFRS are referred to collectively as "IFRS" in these financial statements, unless specified otherwise.

The financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the previous financial year, except where new or amended IFRS or SFRS(I) and Interpretation to FRS ("INT FRS") became effective from this financial year.

c) If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has elected to early adopt the amendments to IFRS 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

iii) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of $332,000 was recognised as negative variable lease payments (i.e. reduction in the rental expenses) in the profit or loss during the year.

d) Revenue

	Group		
	Twelve months ended 31 December		
	2020	2019	Change
	$'000	$'000	%
Rental income from investment properties	117,331	124,940	(6)
Revenue from contracts with customers (IFRS15)			
Other revenue from accommodation business	5,135	5,080	1
Sales of optical storage media	958	1,177	(19)
Management services	4,931	2,156	129
Total revenue	128,355	133,353	(4)

e) Revenue and profit breakdown

	Group		
	Twelve months ended 31 December		
	2020	2019	Change
	$'000	$'000	%
Continuing operation:			
(a) Revenue reported for first half year	66,590	64,192	4
(b) Profit after tax reported for first half year	23,885	20,558	16
(c) Revenue reported for second half year	61,765	69,161	(11)
(d) Profit after tax reported for second half year	(5,174)	83,230	N/M

f) Other income and gains - net

	Group		
	Twelve months ended 31 December		
	2020	2019	Change
	$'000	$'000	%
Interest income	875	1,137	(23)
Government grant income	8,941	107	8,256
Government grant expense - rent concessions	(1,119)	-	-
Loss on derecognition of financial assets	(3,589)	-	-
Allowance for impairment of trade and other receivables	(1,300)	(177)	634
Currency exchange gains/(losses) - net	122	(38)	N/M
Impairment of property, plant and equipment	(508)	-	-
Net loss on disposal of plant and equipment	(9)	(68)	(87)
Net loss on disposal of investment properties	(97)	-	-
Net gains on disposal of a subsidiary	1,398	-	-
Financial assets, at fair value through other comprehensive income			
- reclassification from other comprehensive income on disposal	(77)	(171)	(55)
Fair value loss on financial assets, at fair value through profit or loss	(132)	(230)	(43)
Others	251	290	(13)
	4,756	850	460

Allowance for impairment of trade and other receivables have been reclassified to "Other income and gains - net" for presentation purpose. Accordingly the comparatives have been restated for consistency.

g) Income tax expense

	Group		
	Twelve months ended 31 December		
	2020	2019	Change
	$'000	$'000	%
Tax expense attributable to the profit is made up of:			
- Profit for the financial year			
Current income tax	7,584	6,265	21
Deferred income tax	(543)	1,723	N/M
	7,041	7,988	(12)
- (Over)/under provision in prior financial year			
Current income tax	(193)	(818)	(76)
Deferred income tax	185	43	330
	7,033	7,213	(2)

h) Other information on Income Statement

	Group		
	Twelve months ended 31 December		
	2020	2019	Change
	$'000	$'000	%
Depreciation	(3,313)	(3,113)	6

i) Trade and other receivables

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

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

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

	Group	
	31 Dec 2020	31 Dec 2019
	$'000	$'000
Up to 3 months	5,164	3,057
3 to 6 months	1,104	446
Over 6 months	599	689
	6,867	4,192
Less: Cumulative allowance for impairment	(1,748)	(883)
	5,119	3,309

j) Trade and other payables

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

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

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

	Group	
	31 Dec 2020	31 Dec 2019
	$'000	$'000
Up to 3 months	2,344	1,644
3 to 6 months	87	90
Over 6 months	265	417
	2,696	2,151

N/M: Not meaningful

k) Group's borrowings

	Group 31 Dec 2020 $'000	Group 31 Dec 2019 $'000
(i) Amount repayable in one year or less, or on demand		
Secured	29,778	46,492
Unsecured	42,010	9,288
Sub Total	**71,788**	**55,780**
(ii) Amount repayable after one year		
Secured	544,434	529,361
Unsecured	138,444	153,898
Sub Total	**682,878**	**683,259**
Total borrowings	**754,666**	**739,039**

(iii) Details of any collateral

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

l) Share capital and treasury shares

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

	Company 31 Dec 2020	Company 31 Dec 2019
Total number of issued shares excluding treasury shares	840,778,624	840,778,624

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

There was no share buy-back since the end of the previous financial year.

<u>Share options, warrants and convertibles</u>

As at 31 December 2020 and 31 December 2019, the Company did not have any employee share option scheme and has no outstanding options, warrants or convertibles.

<u>Treasury shares and subsidiary holdings</u>

	Company As at 31 Dec 2020	Company As at 31 Dec 2019
Number of shares held as treasury shares	-	-
Number of subsidiary holdings	-	-
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding	0%	0%

m) Purchase, sales or redemption of the Company's listed securities and sales, transfer, cancellation and/or use of treasury shares and subsidiary holdings

There was no purchase, sales or redemption of the Company's listed securities and sales, transfer, cancellation and/or use of treasury shares and subsidiary holdings during the year ended 31 December 2020.

8. Group Performance Review

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

(a)(i) Second half review - 2H 2020 vs 2H 2019

In the half year ended 31 December 2020 ("2H 2020"), the Group's revenue reduced 11% or S$7.4 million to S$61.8 million from S$69.2 million in the half year ended 31 December 2019 ("2H 2019").

The lower revenue was mainly attributable to lower occupancy due to COVID-19 across almost the Group's entire portfolio, particularly the Group's student accommodation portfolio in Australia and the United Kingdom ("UK").

The reduction in revenue was mitigated by revenue contributions from a newly-added management service contract in Singapore to manage three Factory-Converted Workers Dormitories and the revenue from two Quick Build Dormitories ("QBDs"), namely Westlite Kranji Way and Westlite Tuas Avenue 2 which commenced operations in 2H 2020.

The Group's student accommodation assets in the UK experienced the largest impact from COVID-19. Revenue in UK was affected by the early lease termination offered for the final semester of UK Academic Year 19/20, which resulted in even lower occupancy during the summer stays in 3Q 2020. The UK portfolio impact was mainly felt in Manchester City, where high COVID-19 transmission numbers continue to be reported. Universities in Manchester City have either postponed the commencement of the new academic year or have closed on-campus programmes completely, impacting both domestic and international student arrivals to that city. As COVID-19 continues to disrupt the educational sector, bookings of the accommodation portfolio for the new Academic Year 20/21 were affected, which resulted in an occupancy rate of only 63% in 2H 2020 as compared to 96% a year ago.

Similarly, dwell Village Melbourne City (formerly known as RMIT Village), located in Melbourne, Victoria, experienced an occupancy of only 28% in 2H 2020 as compared to 88% in 2H 2019. During 2H 2020, state borders were closed to both international and interstate travel, and all universities ceased face-to-face education to contain the spread of COVID-19. Dwell East End Adelaide occupancy was also lower at 64% as compared to 95% in 2H 2019.

Revenue for the Singapore purpose-built workers dormitories ("PBD") excluding the two operational QBDs, also reduced, as occupancy dropped to 89% in 2H 2020 as compared to 99% in 2H 2019. Demand for purpose built dormitory beds weakened with companies seeking alternative housing options allowed in the interim by the government such as Temporary Living Quarters, Quick Built Dormitories, Construction Temporary Quarters, and Private Residential Housing. In addition, a number of foreign workers also returned to their hometown after the lockdown, which reduced the demand from existing customers.

Revenue from the workers accommodation in Malaysia improved 3% despite COVID-19. Excluding the newly-leased workers asset from Selangor State Development Corporation, the workers accommodation in Malaysia achieved a better occupancy of 80% as compared to 78% in 2H 2019. With migrant workers better managed in PBDs instead of private housing and shophouses, coupled with the new legislation on improving living standards of migrant workers in Malaysia, demand for PBD beds has improved.

The Group's gross profit reduced 17% to S$41.5 million in 2H 2020 from S$49.9 million in 2H 2019 mainly due to reduced revenue, additional operating expenses incurred to manage COVID-19 incidents, and costs relating to the safe living measures put in place in managing the accommodation assets.

Other income and gains increased by S$3.6 million, largely attributed to various government support schemes provided in the different countries where the Group operates to mitigate COVID-19's impact on employment and businesses, and net gains on disposal of Shanghai Huade Photoelectron Science & Technology Co. Ltd in China. These are offset against rent rebates provided to eligible tenants as part of the qualifying conditions and voluntary rental concessions granted to assist tenants whose operations were adversely impacted by the COVID-19 pandemic. The voluntary rent concessions to support tenants and customers are classified as loss on derecognition of financial assets. An impairment of property, plant and equipment in dwell Selegie of S$0.5 million was made during the period as the Group does not consider it viable to extend the lease when it ends on 4 June 2021.

Distribution and administrative expenses reduced S$3.3 million as a result of cost savings measures to cushion the impact from COVID-19. These include reductions in travelling, marketing and selling costs such as commissions, as well as salaries and bonus cuts.

Finance expenses decreased by S$3.2 million to S$11.1 million, due to the lower interest rate environment, as compared to 2H 2019.

Share of the profit of associated companies and joint venture improved by S$3.3 million, turning into a profit of S$1.2 million in 2H 2020, mainly due to better performance of Centurion US Student Housing Fund and its lower fair value loss in 2H 2020 as compared to 2H 2019.

A fair valuation exercise was conducted by independent valuers on the Group's investment properties as at 31 December 2020, and a net fair valuation loss of S$27.6 million was recognised in 2H 2020 as compared to a net fair valuation gain of S$66.3 million recognized in 2H 2019. The fair valuation loss was a reflection of the market conditions taking into account the COVID-19 pandemic.

Income tax expense reduced by S$0.4 million or 13% largely due to write back of deferred tax arising from fair value changes in 2H 2020.

The Group's net loss attributable to the equity holders of the Company in 2H 2020 is S$3.8 million, as compared to a net profit of S$81.9 million in 2H 2019.

Excluding one-off items in the form of fair value loss on investment properties and rent guarantee, deferred tax arising from fair value gains, and gains or loss from disposal of a subsidiary and assets held for sale, the Group's profit from core business operations recorded a growth of 2% to S$23.4 million in 2H 2020 from S$23.0 million in 2H 2019.

The Group's net profit from core business operations attributable to equity holders of the Company increased by 1%, from S$20.2 million in 2H 2019 to S$20.3 million in 2H 2020, after accounting for the non-controlling interest proportion.

(a)(ii) Twelve months review - FY2020 vs FY2019

The Group registered a S$5.0 million reduction in revenue to S$128.4 million in the full year ended 31 December 2020 ("FY 2020") from S$133.4 million in the full year ended 31 December 2019 ("FY 2019").

The lower revenue was mainly attributable to revenue reductions of S$14.2 million from the Group's UK and Australia student accommodation, as well as Singapore workers accommodation, where occupancies were affected by COVID-19 since the second quarter ended 30 June 2020.

The reduction was partially offset by revenue contribution of S$9.8 million from properties added to the portfolio in 2019 such as Westlite Juniper and dwell Archer House as well as management fee income from three Factory-Converted Workers Dormitories and the revenue from the two QBDs, namely Westlite Kranji Way and Westlite Tuas Avenue 2, that commenced operations in 2H 2020.

Gross profit of S$89.6 million in FY 2020 was 8% lower compared to S$96.9 million in FY 2019, mainly due to the lower revenue coupled with additional expenses of S$2.0 million incurred to manage the COVID-19 situation.

Other income and gains increased by S$3.9 million to S$4.8 million in FY 2020 from S$0.9 million in FY 2019, largely attributable to government support schemes and gains on disposal of Shanghai Huade Photoelectron Science & Technology Co. Ltd in China. These gains were offset by the rental support provided to tenants, a S$0.5 million impairment of property, plant and equipment in dwell Selegie as well as S$1.3 million allowance for doubtful debts in FY 2020.

Distribution and administrative expenses had reduced to S$22.5 million in FY 2020 from S$25.1 million in FY 2019 because of savings in travelling cost, marketing and selling expenses such as advertising and commission expenses due to COVID-19 lockdowns.

Due to the lower interest rate environment, finance expenses decreased by S$5.5 million to S$23.3 million in FY 2020 compared to S$28.8 million in FY 2019.

Share of profit of associated companies and joint venture was S$4.0 million higher than S$0.8 million in FY 2019 mainly due to higher contribution from the Centurion US Student Housing Fund.

Net fair value losses on investment properties and assets held for sale was S$27.6 million as compared to fair value gains of S$66.3 million in FY 2019.

The Group's net profit attributable to the equity holders of the Company in FY 2020 is S$17.2 million, an 83% reduction as compared to FY2019.

Excluding one-off items, net profit derived from core business operations was S$47.3 million in FY 2020, which was S$3.7 million or 9% higher than S$43.6 million in FY 2019.

The Group's net profit from core business operations attributable to equity holders of the Company was S$41.3 million in FY 2020, an increase of 8% from S$38.2 million in FY 2019.

(b) Review of Group Balance Sheet

Assets

Net cash generated from the operating activities, loan principal moratorium as well as proceeds from borrowings led to S$35.3 million increase in cash and bank balances, which stood at S$83.9 million as at 31 December 2020. Please refer to paragraph 8 (d) Review of Statement of Cash Flows for more details.

Trade and other receivables increased S$3.6 million to S$11.7 million in FY 2020 largely due to receivables from new accommodation start-ups, and slower collections from customers affected by COVID-19, as well as increased in other receivables such as government grant receivable.

Assets held for sale reduced by S$4.2 million to S$1.3 million in FY 2020 with the completion of the sale of Desa Cemerlang and Beechwood House during the year.

Investment properties increased by S$31.9 million to S$1.3 billion in FY 2020 largely due to the expanded portfolio with the addition of three leased assets – Westlite – PKNS Petaling Jaya, Malaysia, and two QBDs in Singapore, namely Westlite Kranji Way and Westlite Tuas Avenue 2, as well as the development of the workers accommodation at Westlite Tampoi and student accommodation at dwell MSV South. These were offset by fair valuation losses.

Lease liabilities increased by S$28.2 million to S$95.1 million mainly due to the addition of the three leased assets during FY 2020.

The Group purchased interest rate swaps to hedge its floating interest rate risk on its bank borrowings. Due to lower interest rates, a fair value loss on the cash flow hedges of S$6.8 million was recognized on the comprehensive income during FY 2020, which largely accounted for the S$5.0 million increase in derivative financial instruments as at 31 December 2020.

Borrowings & Gearing

As at 31 December 2020, the Group had net current liabilities of S$20.1 million. The Group currently has sufficient cash resources and banking facilities of S$196.7 million available to meet its current liabilities.

The Group's net gearing ratio was 48% as at 31 December 2020, an improvement from 51% as at 31 December 2019. The Group's operating assets are primarily funded through bank borrowings, which have an average remaining maturity profile of seven years. The Group uses long term bank debt with regular principal repayments to finance its long-term assets.

As at 31 December 2020, the Group's balance sheet remained healthy with S$83.9 million in cash and bank balances.

(c) Review of Company Balance Sheet

Proceeds from bank borrowings and intercompany settlement have resulted in an increase in cash and bank balances, and reduction in trade and other receivables.

Current borrowings increased by S$33.6 million largely due to the reclassification of a term loan which is expected to mature within the next 12 months.

(d) Review of Statement of Cash Flows

In FY 2020, the Group generated positive cash flow of S$60.5 million from operating activities.

Net cash provided by investing activities amounted to S$6.1 million, mainly due to the proceeds from disposal of Beechwood House, Desa Cemerlang and Shanghai Huade Photoelectron Science & Technology Co. Ltd.

The Group recorded net cash used in financing activities of S$29.1 million for repayment of borrowings, interest paid as well as dividends paid to the shareholders.

As a result of the above activities, the Group recorded an increase in cash and cash equivalents of S$37.5 million in FY 2020.

(e) Events occuring after balance sheet date

On 1 February 2021, the Company has fully redeemed $60,000,000 Series 004 Notes due 2022.

9. (a) Earnings per share

	Group Second half year ended 31 December 2020	Group Second half year ended 31 December 2019	Group Twelve months ended 31 December 2020	Group Twelve months ended 31 December 2019
Net profit attributable to equity holders of the Company (S$'000)	(3,834)	81,884	17,171	99,951
Net profit from core business operations attributable to equity holders of the Company (S$'000)	20,315	20,165	41,320	38,232
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	840,779	840,779	840,779	840,779
Earnings per ordinary share:				
(i) Basic earnings per share (cents)	(0.46)	9.74	2.04	11.89
(ii) Diluted earnings per share (cents)	(0.46)	9.74	2.04	11.89
Earnings per ordinary share based on core business operations:				
(i) Basic earnings per share (cents)	2.42	2.40	4.91	4.55
(ii) Diluted earnings per share (cents)	2.42	2.40	4.91	4.55

(b) Net asset value

	Group		Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net asset value per ordinary share (see note below)	72.03 cents	70.43 cents	33.20 cents	33.49 cents

Note:

The Group's and Company's net asset value per ordinary share is calculated based on the Company's total number of issued shares (excluding treasury shares) of 840,778,624 ordinary shares as at 31 December 2020 and 31 December 2019.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Accommodation Business

As at 31 December 2020, the Group operated a diversified portfolio of 35 operational purpose-built workers and student accommodation assets ("PBWA" and "PBSA" respectively), comprising approximately 73,460 beds across Singapore, Malaysia, Australia, South Korea, the United Kingdom ("UK") and the United States ("US").

Workers Accommodation

Singapore

The Group had approximately 28,000 beds across five operating PBWA assets in Singapore as at 31 December 2020, achieving an average financial occupancy rate of 93.9% for FY 2020, compared to 97.9% a year ago. In addition, the Group has also started managing 2,320 beds from two Quick-Build Dormitories ("QBDs"), for which occupancy is ramping up.

Following the lifting of the dormitory lockdown in August 2020, demand for purpose-built dormitory beds softened as employers sought out alternative housing options for their migrant workers in interim accommodation created or permitted by the Government such as Quick Built Dormitories, Temporary Living Quarters ("TLQs"), Construction Temporary Quarters ("CTQs") and private residential housing. In addition, a number of migrant workers have also returned to their hometown after the lockdown[1]. As at 31 December 2020, financial occupancy of the Group's Singapore workers accommodation portfolio, excluding QBD stood at 79.1%.

The migrant worker population numbers are expected to increase gradually in 2021, as the Government now allows employers to bring returning and new workers into Singapore, under strict quarantine and clearance regimes. Further, with the gradual recovery of the economy, more workers are expected to be brought in by employers.

Some of the alternative accommodation solutions such as TLQs are temporary, and are expected to be discontinued by 1H 2021. Other solutions, such as QBDs, are designed to pilot new dormitory specifications, which are being evaluated for improved pandemic management.

The Group is actively engaged in dialogues with relevant Government authorities regarding these future specifications for permanent purpose-built dormitories and the related requirements for existing PBWA, as well as government support for industry and businesses. In the long term, we believe purpose-built dormitories will continue to be the preferred option for housing migrant workers.

During FY2020, the Group secured two tender contracts from JTC Corporation, one for the management of three Factory-Converted Dormitories ("FCD") comprising approximately 4,000 beds, and the second to lease and manage four QBDs with approximately 6,400 beds, of which two sites have commenced operations as at December 2020.

The Group will continue to explore opportunities to participate in the development and management of new PBWA assets addressing pandemic management needs.

Malaysia

As at 31 December 2020, Centurion operated approximately 36,744 beds across eight PBWA assets located across Johor, Penang and Selangor. The workers dormitory in Selangor, namely Westlite – PKNS Petaling Jaya, was newly added in December 2020. The average financial occupancy rate for workers accommodation in Malaysia, excluding Westlite – PKNS Petaling Jaya which is still ramping up, was 79.7% for FY 2020.

Westlite – PKNS Petaling Jaya, comprising 6,044 beds, was secured on a master lease of 21 years with an option for an additional 9 years, from the Selangor State Development Corporation. Significantly, it enlarges the Group's portfolio and geographic presence in Malaysia. In Johor, the development of three additional blocks on an existing piece of land at Tampoi, which is expected to complete in 2Q 2021, will add another 3,600 beds to the existing Westlite Tampoi dormitory.

While the Malaysian Government has implemented various rounds of Movement Control Orders ("MCOs") across different states, each state has differing levels of restrictions, and the MCOs have not affected the financial occupancies of the Group's Malaysian assets.

To curb the spread of COVID-19, the Malaysian Government has stepped up enforcement of the requirement for employers to comply with the Amendment to the Workers' Minimum Standards of Housing and Amenities Act[2], including gazetting an emergency ordinance compelling employers to provide lodging with sufficient living space and amenities for their migrant workers.

Westlite Malaysia is able to meet the requirements of the new legislation, and the Group is working with the Department of Labour Peninsular Malaysia ("JTKSM") towards the certification of its assets in compliance to the standards of the Act[3].

Student Accommodation

As at 31 December 2020, the Group had a portfolio of approximately 6,396 beds across 20 operational PBSA assets in Australia, South Korea, Singapore, the UK, and the US.

United Kingdom

The Group's UK portfolio, comprising 10 assets strategically located near top universities, recorded an average financial occupancy of 69.7% for FY 2020. Occupancy was impacted by the COVID-19 pandemic, given the lockdowns in the UK as well as the offer of an early termination option to the Group's residents of their remaining contracted leases in the last semester of the UK Academic Year 2019/20. As part of portfolio rebalancing, Centurion had disposed of the 37-bed dwell Beechwood House in the UK in December 2020.

The UK maintains its standing as one of the top tertiary education markets in the world. The Higher Education Statistics Agency reported a 3% year-on-year rise in number of higher education students to 2.5 million in 2019/20[4]. In 2019/20, 22% of the total student population, or over 538,000 were from overseas. In February 2021, the UK Government reaffirmed its aims to recruit 600,000 international higher education students annually and increase education exports to £35 billion a year by 2030[5].

Australia

In FY 2020, COVID-19 hit international students' demand for accommodation in Australia. The impact was greater in Melbourne, where dwell Village Melbourne City achieved an average financial occupancy of 45.3%, while dwell East End Adelaide recorded an average financial occupancy of 72.9%. Due to COVID-19, international students faced difficulties entering the country as the federal government has prioritised the repatriation of citizens and residents stranded overseas. The implementation of interstate travel restrictions within Australia also contributed to the drop in occupancies.

Nonetheless, the prospects for student accommodation in the long term remain bright. In the next decade, the population aged 19 and younger will form around 35% of the total population in Australia, representing an untapped demographic segment that could underpin growing domestic demand for PBSA[6]. At the same time, the supply of PBSAs in Australia remains under-supplied compared to other global education hubs, at 6% of total student population[7].

Singapore and South Korea

In Singapore, the 332-bed dwell Selegie posted an average financial occupancy of 74.1% for FY 2020. As part of portfolio rebalancing, the Group will not exercise the option to extend the lease of this asset for the third and final phase of its 3+3+2 year lease. The current lease for dwell Selegie will expire in June 2021.

In South Korea, dwell Dongdaemun reported an average financial occupancy of 28.9% in FY 2020, as COVID-19 affected overseas students' plans to pursue exchange programmes or language programmes in South Korea. For the longer term, Centurion will thus refocus marketing efforts to not only overseas students but also include local professionals.

US

In the US, the number of new international students physically present in the US was estimated to have declined 72% in 2020[8]. But international students form less than 2% of the Group's US portfolio occupancy. The Group's US assets cater mainly to domestic students, and as the US did not implement restriction on inter-state or inter-city travel, the US portfolio was able to achieve an improvement in occupancy despite a difficult year. The performance of this portfolio is expected to continue improving with increased and active management.

Novel Coronavirus (COVID-19)

COVID-19 has disrupted the Group's business across almost all the Group's entire portfolio in both PBWA and PBSA segments. Occupancy rates has fallen due to government actions to curb the transmission of Covid-19. Debt delinquencies have also increased with companies and students financially affected by the economy and higher unemployment rates respectively, caused by Covid-19.

In Centurion's PBWA segment, following the outbreak of COVID-19 among the migrant worker community, governments had stepped up measures to curb the transmission of virus among the migrant workers.

The Singapore Government had implemented a "de-densification" strategy to decant dormitory worker populations to various short-and mid-term accommodation options (TLQs, CTQs, QBDs, and re-purposed state-owned properties) while future specifications for purpose-built dormitories are being evaluated to improve living standards for migrant workers and manage future pandemics. The Group is actively engaged in dialogues with relevant Government authorities regarding these future specifications for permanent purpose-built dormitories, the related requirements for existing PBWA, and government support for industry and businesses.

In Malaysia, to curb the spread of COVID-19, the Malaysian Government has stepped up enforcement of the requirement for employers to comply with the Amendment to the Workers' Minimum Standards of Housing and Amenities Act[9] which improves the living standards of migrant workers. The Group is currently working with the Department of Labour Peninsular Malaysia ("JTKSM") towards the certification of its assets in compliance to the standards of the Act[10].

The Group continues to be concerned for the physical, mental and social wellbeing of the migrant worker communities working in Singapore and Malaysia, and is engaged in dialogues with relevant stakeholders including the Government, employers, resident migrant workers, and NGOs, on new learnings and requirements from the unprecedented COVID-19 pandemic.

At the onset of the outbreak in worker dormitories in Singapore and Malaysia, the Group quickly activated its Pandemic Management Plan to manage and safeguard the health and wellbeing of our staff and resident migrant workers and ensure business continuity of our employer-tenants. The Group has been working alongside relevant local authorities to enhance safe living measures and processes to mitigate any operational impact arising from COVID-19 as it develops.

Turning to the PBSA segment, travel restrictions and school closures were imposed by regulators in response to the COVID-19 pandemic. As a result, except for the Group's US assets which benefited from resilient domestic demand, international students' demand for the Group's PBSAs in the UK, Australia, South Korea and Singapore were constrained.

The Group had implemented extensive measures to protect the health and mental wellbeing of our staff and residents, and progressively stepped up additional measures in line with local government and university actions and advisories.

To mitigate the impact on our resident students, the Group has offered early termination, deferments or flexible lease terms across different country markets, to support students in need.

Operationally, Centurion has stepped up on efforts to attract bookings, including short term lets, as well as tapping growing domestic demand.

The Group's portfolio of 35 quality operational assets is diversified across Singapore, Malaysia and the global education hubs in the UK, the US, and Australia. As business and travel activities resume, along with the continued rollout of several approved vaccines globally, the occupancy levels in these strategically-located assets are expected to improve as well. Furthermore, the quality of the worker dormitories also sets the Group apart, in meeting its stakeholders' expectations toward safe living conditions for migrant workers.

The Group continues to closely monitor and manage the disruptions due to COVID-19 by enhancing management and operational efficiencies, managing costs and conserving cash, and will make further announcements in the event of material changes.

The Company had on 20 April 2020 announced that the Directors of the Company would take a voluntary 15% reduction in directors' fees and senior management staff of the Group in Singapore would take a pay cut ranging from 10% to 15% ("Fee and Salary Reduction"), with effect from 1 May 2020, subject to further review at the end of the year. In view of the uncertainty amidst the Covid-19 pandemic and continued challenges ahead, the Directors of the Company and senior management staff of the Group have agreed that the Fee and Salary Reduction will continue into FY 2021 as part of the Company's measures to strengthen cash flow management and controls to conserve cash. The Fee and Salary Reduction is subject to review at the end of FY 2021.

Remark:

1. Source: The Straits Times - Singapore sees its population fall for first time in 10 years - Retrenchments have hit foreign workers especially, causing many to leave as a result, 25 September 2020
2. Source: Today Online - Malaysia enforces requirement for improved worker accommodation to rein in Covid-19, 18 February 2021
3. Source: Selangor Journal - Ministry tells employers to apply for certificate of accommodation, 24 December 2020
4. Source: HESA - Higher Education Student Statistics: UK, 2019/20 - Student numbers and characteristics, 27 January 2021
5. Source: UK Parliament House of Commons Library - International and EU students in higher education in the UK FAQs, 15 February 2021
6. Source: nuveen - Australia: The enduring merit of education, 20 November 2020
7. Source: nuveen - Australia: The enduring merit of education, 20 November 2020
8. Source: World Education Services - The Pandemic Drives Unprecedented Decline in International Students, 24 November 2020
9. Source: Today Online - Malaysia enforces requirement for improved worker accommodation to rein in Covid-19, 18 February 2021
10. Source: Selangor Journal - Ministry tells employers to apply for certificate of accommodation, 24 December 2020

11. Use of proceeds

Not applicable

12. Dividend

(a) *Current Financial Year Reported On*

Any dividend declared for the current financial year reported on ?

None

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

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

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

(c) Date Payable

Not applicable

(d) Book Closure Date

Not applicable

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

	Company	
	2020	2019
	$'000	$'000
Ordinary shares	-	16,816
Preference shares	-	-
Total	-	16,816

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

14. If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision

No dividend has been recommended by the Board of the Company in respect of the financial year ended 31 December 2020 (Financial year ended 31 December 2019: SGD 2.0 cent per ordinary share). The Company would like to conserve its cash resources in view of the unprecedented economic condition and uncertainty amidst the COVID-19 pandemic.

15. Closure of Register of Members

For shareholders in Hong Kong

The Hong Kong branch share register will be closed from 22 April 2021 to 27 April 2021 both days inclusive, during which period no transfer of shares will be registered, for determining the entitlement to attend and vote at the Annual General Meeting to be held on 27 April 2021. All transfers of shares, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 pm on 21 April 2021.

16. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditor, PricewaterhouseCoopers LLP. The figures in respect of the Group’s consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers LLP, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers LLP in this respect did not constitute an assurance engagement in accordance with Singapore Standards on Auditing, Singapore Standards on Review Engagements, or Singapore Standards on Assurance Engagements and consequently no assurance has been expressed by PricewaterhouseCoopers LLP on the preliminary announcement.

17. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)

Not applicable.

18. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern

Not applicable as the Group's latest audited financial statements for the financial year ended 31 December 2019 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

19. Review by Audit Committee

The Company has established an audit committee (the "Audit Committee") with written terms of reference which deal clearly with its authority and duties. Amongst the Audit Committee's principal duties is to review and supervise the Company's financial reporting process and internal controls. The Audit Committee has reviewed with the management and the external auditors of the Company, PricewaterhouseCoopers LLP, the annual results announcement of the Group for the year ended 31 December 2020 and the accounting principles and policies adopted by the Group.

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

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

20. Compliance with Corporate Governance Codes

The Company has adopted the principles and practices of corporate governance in line with the Principles and Provisions as set out in the Singapore Code of Corporate Governance 2018 (the “2018 Code”) and the applicable code provisions of the Corporate Governance Code (the “HK CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the SEHK (the “HK Listing Rules”).

In the event of any conflict between the 2018 Code and HK CG Code, the Company will comply with the more stringent requirements. Throughout the twelve months ended 31 December 2020, the Company has complied with applicable provisions in the 2018 Code and HK CG Code, except those appropriately justified and disclosed.

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

In compliance with Rule 1207(19) of the Listing Manual (the "Listing Manual") of SGX-ST and the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the HK Listing Rules, the Company has adopted the Code of Best Practices on Securities Transactions by the Company and its Directors and Officers as its code for securities transactions by its Directors and Officers pursuant to the Listing Manual of the SGX-ST and the Model Code's best practices on dealings in securities. In furtherance, specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the twelve months ended 31 December 2020.

The Company, the Directors and its Officers are not allowed to deal in the Company's securities at all times whilst in possession of unpublished price sensitive information and during the "closed" window period as defined in the Company's Code of Best Practices on Securities Transactions by the Company and its Directors and Officers.

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

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

22. Publication of Information on the websites of Hong Kong Exchanges and Clearing Limited, the Company and SGX-ST, and Annual General Meeting

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (the "HKEx") at www.hkexnews.hk, the website of the Company at www.centurioncorp.com.sg and the website of the SGX-ST at www.sgx.com. The annual report of the Company for the twelve months ended 31 December 2020 will be despatched to shareholders and published on the respective websites of the HKEx, SGX-ST and the Company in due course.

The Annual General Meeting of the Company will be held on Tuesday, 27 April 2021.

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

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

The Group's 2H 2020 and FY 2020 results are in line with the commentary of the Company's profit warning announcement dated 23 February 2021.

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

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

25. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual of SGX-ST. If there are no such persons, the issuer must make an appropriate negative statement

Pursuant to Rule 704(13) of the Listing Manual of SGX-ST, the Company confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

26. Confirmation of Directors' and Executive Officers' Undertakings

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

BY ORDER OF THE BOARD
CENTURION CORPORATION LIMITED
Kong Chee Min
Chief Executive Officer
25 February 2021

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