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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)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

**For identification purpose only*

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 six months ended 30 June 2023 ("1H 2023"), together with the comparative figures for the six months ended 30 June 2022 ("1H 2022") as follows:

1. Condensed Interim Consolidated Income Statement

	Group		
	1H 2023 $'000	**1H 2022 $'000**	**Change %**
Revenue	97,923	90,528	8
Cost of sales	(27,534)	(29,613)	(7)
Gross profit	70,389	60,915	16
Other income	1,066	1,280	(17)
Other losses - net			
- Loss on derecognition of financial assets	-	(119)	(100)
- (Allowance)/write back for impairment of trade and other receivables	(62)	381	N/M
- Others	(250)	(1,058)	(76)
Expenses			
- Distribution expenses	(754)	(791)	(5)
- Administrative expenses	(12,650)	(13,070)	(3)
- Finance expenses	(18,294)	(11,786)	55
Share of profit of associated companies and joint venture	4,199	3,619	16
	43,644	39,371	11
Net fair value gain on investment properties	5,417	9,541	(43)
Profit before income tax	49,061	48,912	-
Income tax expense	(6,668)	(13,839)	(52)
Total profit	42,393	35,073	21
Profit attributable to:			
Equity holders of the Company	38,301	32,898	16
Non-controlling interests	4,092	2,175	88
Total profit	42,393	35,073	21

Note 1:

Total profit - IFRS measure	42,393	35,073	21
Adjusted for non-IFRS measure:			
- Net fair value gain on investment properties including those of associated companies and joint venture	(6,760)	(9,386)	(28)
- Deferred tax arising from fair value changes	387	6,705	(94)
Profit from core business operations - non-IFRS measure	36,020	32,392	11

Note 2:

Profit attributable to equity holders of the Company - IFRS measure	38,301	32,898	16
Adjusted for non-IFRS measure:			
- Net fair value gain on investment properties including those of associated companies and joint venture attributable to equity holders	(5,645)	(10,645)	(47)
- Deferred tax arising from fair value changes	387	6,705	(94)
Profit from core business operations attributable to equity holders - non-IFRS measure	33,043	28,958	14

2. Condensed Interim Consolidated Statement of Comprehensive Income

	Group		
	1H 2023	**1H 2022**	**Change**
	$'000	**$'000**	**%**
Total profit	42,393	35,073	21
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income ("FVOCI") - debt instruments			
- Fair value gain/(loss)	347	(101)	N/M
- Reclassification	-	6	(100)
Cash flow hedges			
- Fair value gain	376	1,552	(76)
- Reclassification	(987)	691	N/M
Share of other comprehensive gains of associated companies and joint venture	92	843	(89)
Currency translation gains/(losses) arising from consolidation	7,184	(22,086)	N/M
Other comprehensive income/(loss), net of tax	7,012	(19,095)	N/M
Total comprehensive income	49,405	15,978	209
Total comprehensive income attributable to:			
Equity holders of the Company	45,281	13,742	230
Non-controlling interests	4,124	2,236	84
Total comprehensive income	49,405	15,978	209
Earnings per share for the profit attributable to equity holders of the Company			
Basic earnings per share (cents)	4.56	3.91	17
Diluted earnings per share (cents)	4.56	3.91	17

N/M : Not meaningful

3. Condensed Balance Sheets

	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	$'000	$'000	$'000	$'000
ASSETS				
Current assets				
Cash and bank balances	71,562	68,274	15,953	19,913
Trade and other receivables	11,485	12,886	21,555	19,708
Inventories	217	334	-	-
Other assets	3,369	3,797	385	241
Financial assets, at fair value through other comprehensive income	5,812	6,466	5,812	6,466
Derivative financial instruments	717	-	-	-
	93,162	91,757	43,705	46,328
Non-current assets				
Trade and other receivables	-	-	392,722	391,198
Other assets	2,182	4,243	137	137
Financial assets, at fair value through profit or loss	51	51	-	-
Derivative financial instruments	2,643	3,811	-	-
Investments in associated companies	124,671	120,280	1,298	1,298
Investment in a joint venture	358	6,040	-	-
Investments in subsidiaries	-	-	16,846	16,846
Investment properties	1,379,456	1,314,097	-	-
Property, plant & equipment	6,848	7,476	1,422	1,660
	1,516,209	1,455,998	412,425	411,139
Total assets	**1,609,371**	**1,547,755**	**456,130**	**457,467**
LIABILITIES				
Current liabilities				
Trade and other payables	52,835	55,105	20,055	21,153
Other liabilities	430	430	-	-
Current income tax liabilities	13,173	12,309	1,549	1,372
Borrowings	48,444	80,016	2,070	2,137
Lease liabilities	16,474	17,739	505	493
	131,356	165,599	24,179	25,155
Non-current liabilities				
Other liabilities	602	684	-	-
Deferred income tax liabilities	21,363	20,684	32	35
Borrowings	639,827	583,087	126,936	131,989
Lease liabilities	61,064	69,213	710	965
	722,856	673,668	127,678	132,989
Total liabilities	**854,212**	**839,267**	**151,857**	**158,144**
NET ASSETS	**755,159**	**708,488**	**304,273**	**299,323**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	142,242	142,242	253,553	253,553
Other reserves	(53,856)	(60,836)	(188)	(534)
Retained profits	639,621	605,524	50,908	46,304
	728,007	686,930	304,273	299,323
Non-controlling interests	27,152	21,558	-	-
Total equity	**755,159**	**708,488**	**304,273**	**299,323**
Gearing ratio*	48%	48%		
Net gearing ratio**	43%	43%		

* 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. Condensed Interim Consolidated Statement of Cash Flows

	1H 2023 $'000	1H 2022 $'000
Total profit	42,393	35,073
Adjustments for:		
- Income tax expense	6,668	13,839
- Depreciation	1,736	1,737
- Allowance/(write back) for impairment of trade and other receivables	62	(381)
- Net loss/(gain) on disposal of plant and equipment	11	(20)
- Net fair value gain on investment properties	(5,417)	(9,541)
- Interest income	(765)	(296)
- Finance expenses	18,294	11,786
- Share of profit of associated companies and joint venture	(4,199)	(3,619)
- Loss on disposal of financial assets, at FVOCI	-	6
- Unrealised currency translation differences	35	57
Operating cash flow before working capital changes	58,818	48,641
Change in working capital		
- Inventories	117	(78)
- Trade and other receivables	1,288	2,830
- Other assets	2,377	(954)
- Trade and other payables and other liabilities	(3,021)	(612)
Cash generated from operations	59,579	49,827
Income tax paid	(5,303)	(4,964)
Net cash provided by operating activities	54,276	44,863
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	24	26
Additions to investment properties	(47,115)	(1,839)
Additions to property, plant and equipment	(1,274)	(282)
Interest received	775	270
Dividends received from joint venture and associated companies	5,602	2,543
Short-term bank deposits charged as security to bank	(287)	-
Deposits paid for acquisition of investment property	-	(933)
Purchase of financial assets, at FVOCI	-	(1,000)
Proceeds from disposal of financial assets, at FVOCI	1,000	500
Net cash used in investing activities	(41,275)	(715)
Cash flows from financing activities		
Proceeds from borrowings	51,445	29,071
Proceeds from non-controlling interests for issuance of ordinary shares	1,470	-
Loan from non-controlling interests	1,180	-
Repayment of loan from associated company	(1,500)	(1,800)
Repayment of borrowings	(30,440)	(52,896)
Interest paid on borrowings	(16,887)	(10,038)
Interest paid on lease liabilities	(1,505)	(1,683)
Repayment of principal portion of lease liabilities	(9,445)	(8,924)
Restricted cash released from bank	36	615
Dividends paid to equity holders of the Company	(4,204)	(4,213)
Dividends paid to non-controlling interests	-	(490)
Premium paid for purchase of interest rate cap	(181)	-
Net cash used in financing activities	(10,031)	(50,358)
Net increase/(decrease) in cash and cash equivalents held	2,970	(6,210)
Cash and cash equivalents		
Beginning of the financial period	66,556	66,309
Effects of currency translation on cash and cash equivalents	67	(66)
End of the financial period	69,593	60,033
The consolidated cash and cash equivalents comprise the following:-		
Cash and bank balances	71,562	60,602
Bank deposits pledged	(287)	-
Restricted cash	(1,682)	(569)
	69,593	60,033

5. Condensed Interim Consolidated Statement of Changes in Equity

GROUP	Attributable to equity holders of the Company Share capital $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total Equity $'000
2023						
Balance at 1 January 2023	142,242	(60,836)	605,524	686,930	21,558	708,488
Profit for the period	-	-	38,301	38,301	4,092	42,393
Other comprehensive income for the period	-	6,980	-	6,980	32	7,012
Total comprehensive income for the period	-	6,980	38,301	45,281	4,124	49,405
Dividends relating to 2022 paid	-	-	(4,204)	(4,204)	-	(4,204)
Total transactions with owners, recognised directly in equity	-	-	(4,204)	(4,204)	-	(4,204)
Issuance of shares from a subsidiary	-	-	-	-	1,470	1,470
Balance at 30 June 2023	**142,242**	**(53,856)**	**639,621**	**728,007**	**27,152**	**755,159**
2022						
Balance at 1 January 2022	142,242	(25,049)	542,521	659,714	17,605	677,319
Profit for the period	-	-	32,898	32,898	2,175	35,073
Other comprehensive (loss)/income for the period	-	(19,156)	-	(19,156)	61	(19,095)
Total comprehensive (loss)/income for the period	-	(19,156)	32,898	13,742	2,236	15,978
Dividends paid to non-controlling interest	-	-	-	-	(490)	(490)
Dividends relating to 2021 paid	-	-	(4,213)	(4,213)	-	(4,213)
Total transactions with owners, recognised directly in equity	-	-	(4,213)	(4,213)	(490)	(4,703)
Balance at 30 June 2022	**142,242**	**(44,205)**	**571,206**	**669,243**	**19,351**	**688,594**

5. Condensed Interim Consolidated Statement of Changes in Equity (continued)

COMPANY	Share capital $'000	Other reserves $'000	Retained profits $'000	Total $'000
2023				
Balance at 1 January 2023	253,553	(534)	46,304	299,323
Profit for the period	-	-	8,808	8,808
Other comprehensive income for the period	-	346	-	346
Total comprehensive income for the period	-	346	8,808	9,154
Dividends relating to 2022 paid	-	-	(4,204)	(4,204)
Total transactions with owners, recognised directly in equity	-	-	(4,204)	(4,204)
Balance at 30 June 2023	**253,553**	**(188)**	**50,908**	**304,273**
2022				
Balance at 1 January 2022	253,553	(176)	46,884	300,261
Profit for the period	-	-	4,594	4,594
Other comprehensive income for the period	-	3	-	3
Total comprehensive income for the period	-	3	4,594	4,597
Dividends relating to 2021 paid	-	-	(4,213)	(4,213)
Total transactions with owners, recognised directly in equity	-	-	(4,213)	(4,213)
Balance at 30 June 2022	**253,553**	**(173)**	**47,265**	**300,645**

6. Segment Information

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

The segment information provided to the Key Management for the reportable segments are as follows:

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Six months ended 30 June 2023				
Revenue:				
Sales to external parties	73,338	24,259	326	97,923
Timing of revenue recognition in relation to revenue from contracts with customers				
- Point in time	1,680	384	264	2,328
- Over time	3,654	1,053	62	4,769
Segment results	46,139	10,978	(143)	56,974
Finance expense	(10,464)	(7,830)	-	(18,294)
Interest income				765
Fair value gain/(loss) on investment properties	5,767	(350)	-	5,417
Share of profit/(loss) of associated companies and joint venture	4,996	(813)	16	4,199
Profit before tax				49,061
Income tax expense				(6,668)
Net profit				**42,393**
Included in segment results:-				
Depreciation	1,284	318	134	1,736
As at 30 June 2023				
Segment assets	883,007	554,813	1,213	1,439,033
Short-term bank deposits				38,784
Financial assets, at FVOCI				5,812
Tax recoverable				713
Investments in associated companies	84,219	39,454	998	124,671
Investment in a joint venture	-	358	-	358
Consolidated total assets				**1,609,371**
Segment liabilities	116,329	14,847	229	131,405
Borrowings	406,242	282,029	-	688,271
Current income tax liabilities				13,173
Deferred income tax liabilities				21,363
Consolidated total liabilities				**854,212**
Other segment items:				
Capital expenditure	43,926	4,378	549	48,853

6. **Segment Information** (continued)

	Workers accommodation $'000	Student accommodation $'000	Others $'000	Total $'000
Six months ended 30 June 2022				
Revenue:				
Sales to external parties	66,977	22,518	1,033	90,528
Timing of revenue recognition in relation to revenue from contracts with customers				
- Point in time	1,531	447	1,033	3,011
- Over time	8,296	1,078	-	9,374
Segment results	38,124	9,389	(271)	47,242
Finance expense	(7,116)	(4,670)	-	(11,786)
Interest income				296
Fair value (losses)/gains on investment properties	(18,394)	27,935	-	9,541
Share of profit/(loss) of associated companies and joint venture	5,262	(1,642)	(1)	3,619
Profit before tax				48,912
Income tax expense				(13,839)
Net profit				**35,073**
Included in segment results:-				
Depreciation	1,358	370	9	1,737
As at 31 December 2022				
Segment assets	843,764	533,190	767	1,377,721
Short-term bank deposits				36,480
Financial assets, at FVOCI				6,466
Tax recoverable				768
Investments in associated companies	79,609	39,623	1,048	120,280
Investment in a joint venture	-	6,040	-	6,040
Consolidated total assets				**1,547,755**
Segment liabilities	127,677	15,369	125	143,171
Borrowings	377,875	285,228	-	663,103
Current income tax liabilities				12,309
Deferred income tax liabilities				20,684
Consolidated total liabilities				**839,267**
Other segment items:				
Capital expenditure	3,263	2,804	-	6,067

7. NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

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 unaudited condensed interim consolidated 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

This unaudited condensed interim consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting" and the applicable disclosure requirement set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HK Listing Rules").

It should be read in conjunction with the annual financial statements for the year ended 31 December 2022 ("FY2022"), which have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs").

The unaudited condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for FY2022.

It has been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the previous financial year, except where new or amended IFRSs or SFRS(I)s and Interpretation to IFRSs and SFRS(I)s 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

In the current period, the Group has adopted all the new and revised SFRS(I)s and IFRSs that are relevant to its operations and effective for its accounting period beginning on 1 January 2023. The adoption of these new and revised SFRS(I)s and IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

d) Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in Note 7 (o) – determination of fair value of investment properties using significant unobservable inputs.

e) Revenue

	Group	
	1H 2023	1H 2022
	$'000	$'000
Rental income from investment properties	90,826	78,143
Revenue from contracts with customers (IFRS15)		
Other revenue from accommodation business	4,100	6,961
Sale of optical storage media and other trading goods	264	1,032
Management services	2,733	4,392
Total revenue	97,923	90,528
Geographical information		
Singapore	63,756	61,018
Malaysia	9,908	6,992
Australia	6,873	4,543
United Kingdom	16,590	16,699
Other countries	796	1,276
Total revenue	97,923	90,528

f) Other income

	Group	
	1H 2023	1H 2022
	$'000	$'000
Interest income		
- Financial assets measured at amortised cost	553	90
- Debt investments measured at FVOCI	212	206
	765	296
Government grant income	211	879
Others	90	105
	1,066	1,280

g) Other losses - net

	Group	
	1H 2023	1H 2022
	$'000	$'000
Currency exchange losses - net	(249)	(820)
Net (loss)/gain on disposal of plant and equipment	(11)	20
Financial assets, at fair value through other comprehensive income		
- reclassification from other comprehensive income on disposal	-	(6)
Others	10	(252)
	(250)	(1,058)
Loss on derecognition of financial assets	-	(119)
Allowance/(write back) for impairment of trade and other receivables	(62)	381
	(312)	(796)

h) Income tax expense

	Group	
	1H 2023	**1H 2022**
	$'000	**$'000**
Tax expense attributable to the profit is made up of:		
- Profit for the financial period		
Current income tax		
- Singapore	4,255	4,063
- Foreign	2,042	1,546
	6,297	5,609
Deferred income tax	447	6,732
	6,744	12,341
- (Over)/under provision in prior financial period		
Current income tax	(75)	1,514
Deferred income tax	(1)	(16)
	6,668	13,839

i) Other information on Income Statement

	Group	
	1H 2023	**1H 2022**
	$'000	**$'000**
Depreciation	(1,736)	(1,737)

j) Dividends

	Group	
	1H 2023	**1H 2022**
	$'000	**$'000**
Ordinary dividends paid		
Final exempt dividend paid in respect of the previous financial year of 0.5 Singapore cent (1H 2022: final exempt dividend paid in respect of the financial year 2021 of 0.5 Singapore cent) per share	4,204	4,213
	4,204	4,213

k) Related party transactions

	Group	
	1H 2023	**1H 2022**
	$'000	**$'000**
(a) Sales and purchases of goods and services		
Services provided to immediate holding corporation	74	93
Services provided to associated companies	1,200	1,106
Purchases from a company which a director has an interest	23	53
Lease payments to associated companies	461	473
Interest charged by associated company	911	350
Interest charged by non-controlling interest	163	57
(b) Key management personnel compensation		
Wages and salaries	2,975	3,136
Employer's contribution to defined contribution plan, including Central Provident Fund	70	85
	3,045	3,221

Included in above, total compensation to directors of the Company amounted to S$1,725,000 (1H 2022: S$1,715,000).

l) 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 60 days (for commercial tenants of student accommodations and optical disc and other trading 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	
	30 Jun 2023	31 Dec 2022
	$'000	$'000
Up to 3 months	4,445	5,387
3 to 6 months	501	1,088
Over 6 months	409	436
	5,355	6,911
Less: Cumulative allowance for impairment	(752)	(796)
	4,603	6,115

m) Financial assets, at fair value through other comprehensive income

Financial assets, at fair value through other comprehensive income are analysed as follows:

	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	$'000	$'000	$'000	$'000
Listed debt securities – Singapore	5,812	6,466	5,812	6,466

Financial assets, at fair value through other comprehensive income were classified as current assets as management intends to hold these assets for contractual cash flows and dispose these assets as and when they are needed for working capital.

n) Financial assets, at fair value through profit or loss

Financial assets, at fair value through profit or loss are analysed as follows:

	Group	
	30 Jun 2023	31 Dec 2022
	$'000	$'000
Designated at fair value on initial recognition		
- Unquoted equity investment – Singapore	51	51

As at 30 June 2023 and 31 December 2022, the fair value of unquoted equity investment is estimated by making reference to the Group's share in the attributable net assets of the investee company as reflected in their latest available financial information. The attributable net assets of the investee company comprise mainly of real estate properties, and are adjusted where applicable, for independent valuations of the real estate properties held by the investee company as at balance sheet date.

o) Investment properties

	Group	
	30 Jun 2023	**31 Dec 2022**
	$'000	**$'000**
Beginning of financial period/year	1,314,097	1,354,593
Currency translation differences	11,117	(64,309)
Additions	48,825	4,886
Modification of lease liability in relation to the right-of-use asset	-	(55)
Net fair value gain recognised in profit or loss	5,417	18,982
End of financial period/year	1,379,456	1,314,097

Investment properties are leased to non-related parties under operating leases.

Included in additions are acquisition of an investment property of S$42,211,000 (2022: S$nil), capitalised expenditure of S$5,410,000 (2022: S$4,886,000) and right-of-use assets ("ROU") of S$1,204,000 (2022: S$nil).

Certain investment properties are pledged as security for the bank facilities extended to subsidiaries. The carrying values of these investment properties amounted to approximately S$1,288,440,000 (2022: S$1,213,555,000).

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy.

The Group applies estimates, assumptions and judgements in the determination of fair values for investment properties. The valuation forms the basis for the carrying amounts of the investment properties held directly by the Group in the consolidated financial statements. There is significant judgement in key inputs used in the valuation. These key inputs include discount rate, rental rate, market value of comparable property, capitalisation rate, cost to complete and cost per square metre, and are dependent on the nature of each investment property and the prevailing market conditions.

The Group had carried out an internal assessment on its investment properties as at 30 June 2023, in consultation with the independent professional valuers who had performed the valuations of the Group’s investment properties as at 31 December 2022, for any material changes in key inputs. The key inputs were found to remain substantially unchanged compared to 31 December 2022. After considering other factors including the operating performance of the properties, the prevailing local market outlook and the remaining lease terms of the leased properties, the Group recognised the net fair value gain on investment properties amounted to S$5,417,000 (1H 2022: S$9,541,000) with the breakdown as follows:

	Group	
	1H 2023	**1H 2022**
	$'000	**$'000**
Net fair value gain in relation to investment properties	14,624	18,236
Net fair value loss in relation to right-of-use assets classified as investment properties	(9,207)	(8,695)
Total	5,417	9,541

p) Property, plant & equipment

During the six months ended 30 June 2023, the additions and disposals of the Group's property, plant and equipment amounted to S$1,232,000 (2022: S$1,181,000) and S$35,000 (2022: S$62,000) respectively.

During the previous financial year, the Group renegotiated and modified an existing lease contract for office space by extending the lease term by another 3 years at revised lease payments. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition of S$1,538,000 to the ROU, classified under ‘Property, plant and equipment’. The corresponding remeasurement to lease liability is recorded on balance sheet.

q) 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	
	30 Jun 2023	31 Dec 2022
	$'000	$'000
Up to 3 months	4,372	2,904
3 to 6 months	39	113
Over 6 months	274	215
	4,685	3,232

r) Borrowings

	Group		Company	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	$'000	$'000	$'000	$'000
(i) Amount repayable in one year or less, or on demand				
Secured	44,132	73,837	-	-
Unsecured	4,312	6,179	2,070	2,137
Sub Total	48,444	80,016	2,070	2,137
(ii) Amount repayable after one year				
Secured	501,430	439,116	-	-
Unsecured	138,397	143,971	126,936	131,989
Sub Total	639,827	583,087	126,936	131,989
Total borrowings	688,271	663,103	129,006	134,126

(iii) Details of any collateral

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

s) Share capital and treasury shares

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

	Company	
	30 Jun 2023	31 Dec 2022
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.

Share options, warrants and convertibles

As at 30 June 2023 and 30 June 2022, the Company did not have any employee share option scheme and has no outstanding options, warrants or convertibles.

Treasury shares and subsidiary holdings

	Company	
	As at 30 Jun 2023	As at 30 Jun 2022
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%

t) 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 period ended 30 June 2023 except that the fixed rate notes due 2024 of the aggregate outstanding principal amount of S$6,250,000 were fully redeemed by the Company at 100 per cent of the said principal amount together with the interest accrued thereof on 12 April 2023.

u) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	30 Jun 2023	**31 Dec 2022**
	$'000	**$'000**
Property, plant and equipment	153	105
Investment properties	19,193	13,350

v) Non-IFRS measure

The Group has disclosed non-IFRS measure consistently over the past years to provide the shareholders and potential investors with a clearer understanding of the Group's year-to-year or period-to-period recurring profits derived from the Group's core business operations.

The reconciling items were disclosed on the Condensed Interim Consolidated Income Statement on Page 2.

The adjusting items for IFRS financial measure to non-IFRS financial measure include the following:-

<u>In relation to fair value changes:</u>

i) Fair value gain on investment properties including those of associated companies and joint venture. The Group has adopted fair value model for accounting of the investment properties which reflects the market conditions at the end of each reporting period. The Group engaged external and independent valuers to determine the fair value of the Group's investment properties at the end of every financial year. The Group had recognised the fair value changes as fair value gain in the Condensed Interim Consolidated Income Statement. The fair value gain also included the adjustment of the fair value of right-of-use assets classified as investment properties in relation to the Group's leased properties in accordance with IFRS 16 Leases.

ii) Deferred tax expenses arising from fair value changes. The deferred tax expenses were recorded due to changes in fair value of the Group's investment properties which resulted in higher income tax expense recognised from the fair value gains.

The above-mentioned adjusting items do not arise from the normal Company's operations and were reported on the Condensed Interim Consolidated Income Statement for the six months ended 30 June 2023 together with the comparative figures for the six months ended 30 June 2022. These fair value movements result in significant fluctuation in the IFRS financial measures of the Group's performance. Correspondingly, shareholders may not be able to appreciate the Group's financial performance generated from its core business operations which is the managing and operating of workers and student accommodation. Hence, the Group has excluded these adjusting items with the intention to provide a clearer picture of the Group's performance.

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) Half year review – 1H 2023 vs 1H 2022

The Group's revenue increased 8% to S$97.9 million in the first half-year ended 30 June 2023 ("1H 2023"), from S$90.5 million in the first half-year ended 30 June 2022 ("1H 2022").

The higher Group revenue was attributable to the continued increases in occupancies of its Singapore and Malaysia Purpose-Built Workers Accommodation ("PBWA"), Australia Purpose-Built Student Accommodation ("PBSA"), as well as positive rental rate revisions across its properties in Singapore, Malaysia, United Kingdom ("UK") and Australia.

The Group's PBWA portfolio experienced a growth in financial occupancy from 86% in 1H 2022 to 96% in 1H 2023.

Financial occupancy for the Group's Singapore PBWA, which consist of five Purpose-Built Dormitories and four Quick Build Dormitories had fully recovered to pre-pandemic levels, supported by positive rental rate revisions. Financial occupancies of Singapore PBWA increased from 97% in 1H 2022 to 98% in 1H 2023. Revenue from Singapore in 1H 2023 was S$63.8 million compared to S$61.0 million in 1H 2022 as a result of better occupancy and positive revisions in rental rates. The overall improvement in 1H 2023 revenue as compared to 1H 2022 was offset against the absence of revenue from two migrant worker Onboard Centres ("OCs") in Singapore managed by the Group which ceased operations from September 2022. While the Group has commenced the management of five Community Recovery Facilities ("CRFs") in February 2023, the revenue derived from the CRFs was lower in comparison to revenue derived from the OCs.

In Malaysia, the easing of border restrictions has led to increases in the number of migrant workers returning to Malaysia since 3Q 2022. Financial occupancy for the Group's PBWAs recovered from 70% in 1H 2022 to 94% in 1H 2023 and revenue increased 42% to S$9.9 million in 1H 2023 from S$7.0 million in 1H 2022.

The Group's PBSA portfolio saw a growth in financial occupancy from 82%[1] in 1H 2022 to 89%[1] in 1H 2023. The growth was mainly contributed by a strong occupancy rebound from its Australian PBSA assets while its UK PBSA assets maintained its occupancy at about 90% (or 97% excluding beds unavailable in the current academic year due to ongoing Asset Enhancement Initiatives).

In the UK, continued shortage in PBSA supply in the five cities where the Group operates, coupled with increased demand from both domestic and international students, has enabled strong rental rate revisions. In 1H 2023, UK revenue was S$16.6 million compared to S$16.7 million in 1H 2022, due primarily to the weaker British pound registered in 1H 2023 as compared to 1H 2022 which translated to a lower revenue when reported in Singapore dollars. In its local currency of British pounds, UK revenue has increased by 8% compared to 1H 2022.

In Australia, average financial occupancy of the Group's two assets in Adelaide and Melbourne improved significantly from 58% in 1H 2022 to 86% in 1H 2023, with the return of international students to Australia. Australian PBSA revenue grew 51% from S$4.5 million to S$6.9 million, boosted by healthy rental rate revisions. Growth in student population and demand for PBSA beds are expected to continue, with notable growth in China student numbers following the Chinese government's move to end recognition of online degrees.

The Group's cost of sales has reduced by S$2.1 million, primarily due to the absence of the OCs in 1H 2023.

Consequently, the Group's gross profit increased S$9.5 million or 16% from S$60.9 million in 1H 2022 to S$70.4 million in 1H 2023 due mainly to revenue growth as a result of improvements in financial occupancy and rental rates.

Finance expenses increased by S$6.5 million due to the higher interest rate environment.

Share of profit of associated companies and joint venture increased by S$0.6 million, largely due to a lower fair value loss in Centurion US Student Housing Fund as compared to 1H 2022.

Net change on fair value of investment properties in 1H 2023 mainly relates to the valuation movements on the Group's investment properties as at 30 June 2023, based on management assessment in consultation with the independent valuers who had carried out the valuation of the investment properties as at the last financial year ended 31 December 2022, as well as the adjustment of fair value of Right-Of-Use ("ROU") investment properties that were leased as at 30 June 2023, in accordance with SFRS(I) 16 Leases.

Note:
1. Occupancy excludes Korea PBSA which ceased operations by the end of February 2023

The net fair value gain of S$5.4 million in 1H 2023 was mainly due to the Group's investment properties in Singapore and Malaysia, offset against the adjustment of fair value of ROU investment properties. This was compared to a fair value gain of S$9.5 million in 1H 2022 arising mainly from investment properties in UK and Australia, offset against the fair value loss of investment properties in Singapore as well as the adjustment of fair value of ROU investment properties.

Income tax expenses reduced by S$7.2 million mainly due to reduced deferred income tax from fair value changes of investment properties.

Accordingly, net profit after tax derived from the Group's operations for 1H 2023 was S$42.4 million, 21% higher compared to S$35.1 million in 1H 2022.

Excluding fair value adjustments, net profit derived from core business operations was S$36.0 million in 1H 2023 which was S$3.6 million or 11% higher than the S$32.4 million reported in 1H 2022.

(b) Review of Group Balance Sheet

Investment properties increased by S$65.4 million, largely due to the acquisition of land at Ubi Avenue 3 in Singapore for further development into workers accommodation, assets enhancement to the UK, Australia and Malaysia investment properties as well as fair value gains.

Investment in a joint venture reduced S$5.7 million primarily due to the cessation of the operations in Korea.

Lease liabilities decreased by S$9.4 million to S$77.5 million due mainly to the repayment of the principal component of the lease liabilities.

Borrowings & Gearing

The Group's borrowings increased from S$663.1 million as at 31 December 2022 to S$688.3 million as at 30 June 2023 due primarily to borrowings drawn down to finance the acquisition of Ubi Avenue 3 land.

The Group's net gearing ratio was 43% as at 30 June 2023, unchanged from its net gearing ratio as at 31 December 2022. The Group's acquired operating assets and assets under development are primarily funded through bank borrowings, which have an average remaining maturity profile of 6 years. The Group uses long-term bank debt with regular principal repayments to finance its long-term assets.

As at 30 June 2023, the Group's balance sheet remained healthy with S$71.6 million in cash and bank balances. The Group has unutilised committed credit facilities of S$151.9 million (of which S$143.8 million relates to unutilised committed credit facilities expiring more than 12 months after balance sheet date) to meet the net current liabilities of S$38.2 million as at 30 June 2023.

(c) Review of Company Balance Sheet

Trade and other receivables as well as trade and other payables relate mainly to intercompany balances with subsidiaries.

Borrowings reduced by S$5.1 million largely due to the redemption of S$6.25 million fixed rate notes due 2024 on 12 April 2023.

(d) Review of Statement of Cash Flows

In 1H 2023, the Group generated positive cash flow of S$54.3 million from operating activities.

Net cash used in investing activities amounted to S$41.3 million, mainly due to additions to investment properties and property, plant and equipment, partially offset by dividends received from joint venture and associated company.

The Group recorded net cash used in financing activities of S$10.0 million mainly for the repayment of borrowings, interest, principal portion of lease liabilities and dividends paid during the period which are offset from proceeds from borrowings.

9. (a) **Earnings per share**

	Group	
	1H 2023	**1H 2022**
Net profit attributable to equity holders of the Company (S$'000)	38,301	32,898
Net profit from core business operations attributable to equity holders of the Company (S$'000)	33,043	28,958
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	840,779	840,779
Earnings per ordinary share:		
(i) Basic earnings per share (cents)	4.56	3.91
(ii) Diluted earnings per share (cents)	4.56	3.91
Earnings per ordinary share based on core business operations:		
(i) Basic earnings per share (cents)	3.93	3.44
(ii) Diluted earnings per share (cents)	3.93	3.44

(b) **Net asset value**

	Group		Company	
	30 Jun 2023	**31 Dec 2022**	**30 Jun 2023**	**31 Dec 2022**
Net asset value per ordinary share (see note below)	86.59 cents	81.70 cents	36.19 cents	35.60 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 30 June 2023 and 31 December 2022.

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

As at 30 June 2023, Centurion operates a diversified portfolio of 34 operational purpose-built workers and student accommodation assets ("PBWA" and "PBSA" respectively), comprising 66,628 beds diversified across Singapore, Malaysia, Australia, the United Kingdom ("UK") and United States ("US").

Workers Accommodation

Singapore

In Singapore, the Group operates nine Purpose-Built Workers Accommodation ("PBWA"), including five Purpose-Built Dormitories ("PBDs") comprising 27,530 beds, and four Quick Build Dormitories ("QBDs") comprising 7,256 beds. Excluding the QBDs, the average financial occupancy for its PBDs was 98% for the first six months ended 30 June 2023 ("1H 2023"), an improvement of 2 percentage points compared to 96% for the first six months ended 30 June 2022 ("1H 2022").

The outlook for PBWAs continues to be positive, with healthy rental rate revisions given an ongoing supply and demand imbalance. Including the QBDs, the average financial occupancy for the Group's nine PBWAs was 98% for 1H 2023, compared to 97% in 1H 2022, due mainly to an increase in migrant worker population to address manpower needed to complete projects and developments deferred during the COVID-19 Pandemic ("Pandemic").

Positive rental rate revisions, which began to climb from 4Q 2022, are being priced into new tenancy leases as existing leases expire progressively over the year, and the full impact on rental revenue growth is expected to emerge over the next 6 to 18 months.

The Group continues to explore opportunities to enlarge its Singapore portfolio capacity in support of employers and industry. In January 2023, the Group together with a joint venture partner won a land tender from JTC Corporation ("JTC"), for development and use as a purpose-built workers dormitory. The development, which is expected to be completed in 2025, will add approximately 1,650 beds to the Group's portfolio and will comply fully with the new specifications introduced by the Ministry of Manpower in September 2021[1], which are applicable to dormitories developed following that announcement. The new dormitory is located in the east of Singapore at Ubi Avenue 3, a region experiencing high demand for dormitory beds, which is under-served mainly by Factory Converted Dormitories.

In March 2023, the Group received approval from JTC for bed capacity uplifts at Westlite Jalan Tukang and Westlite Tuas Avenue 2, which will add approximately 888 beds across the two QBDs. These QBDs currently house five residents per apartment unit at $6m^2$ living space per bed, based on test specifications piloted during the Pandemic, while the new regulatory specifications announced by the government in September 2021 are $4.2m^2$ living space per bed. With the uplift in bed capacity, these two QBDs will meet the new regulatory specifications, with six residents per unit at $4.2m^2$ living space per bed.

The Group has also been focusing on expanding revenue streams from management fees and ancillary services, and has won a management service contract from Ministry of Manpower to manage a cluster of five Community Recovery Facilities ("CRF"). The management contract commenced in February 2023 for an initial period of 6 months, with option for extension by a further 6 months. Four CRFs' leases have since expired, while one has been extended for six months.

Malaysia

With growing awareness of the need for improved welfare of migrant worker populations, increased regulatory controls such as the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446") has heightened the need for well managed PBWAs in Malaysia[2]. The Group's Malaysian assets are all certified by JTKSM to be compliant to the Act 446.

The Group's Malaysian PBWA portfolio comprises eight properties spanning Johor in the South, Penang in the North and Selangor in the Central region of Peninsula Malaysia. The States of Johor, Penang, and Selangor are the top three states in Malaysia with the highest number of foreign workers in the manufacturing sector, which dominates the number of foreign workers with about 35% of the country's estimated 2 million foreign workforce.

The Malaysian PBWA portfolio bed capacity was 26,603 beds as of 30 June 2023 which includes an additional capacity of 290 beds in Westlite Tampoi, which obtained approval from JTKSM in early 2023.

Remarks:
1. Government to Announce Plan for Existing Dorms to Meet Improved Standards Later in 2023, The Straits Times, 20 March 2023
2. Employers in Malaysia to comply with existing foreign workers accommodation laws, HROnline, 30 Jan 2023

The average financial occupancy for the Malaysia PBWA portfolio has improved significantly to 94% in 1H 2023 as compared to 70% in 1H 2022, as occupancy continues to improve in tandem with the inflow of migrant workers back to Malaysia as well as the Malaysian government's enforcement of Act 446. Demand for quality PBWA beds is expected to remain robust in 2023, and Centurion continues to explore opportunities to grow its portfolio capacity in this market.

The Group has secured a 10-year management contract for Westlite Cemerlang, a 2,196-bed PBWA in Johor, which is expected to commence operations in 4Q 2023. Further expanding portfolio capacity, an Asset Enhancement Initiative ("AEI") has commenced at Westlite Senai, which will add approximately 770 beds upon its expected completion in 3Q 2023. AEIs have also been earmarked at Westlite Johor Tech Park and Westlite Senai II, which are expected to complete in 2024 and add approximately 2,720 beds upon completion.

Student Accommodation

As at 30 June 2023, the Group had a portfolio of 5,239 beds across 17 operational PBSA assets in Australia, the UK and the US. Financial occupancies in the Group's PBSAs have improved significantly across the markets in tandem with the return of students to these markets.

United Kingdom

The average financial occupancy in the Group's UK portfolio, which comprises 10 assets strategically located near top universities, continue to improve with the return of international students to the UK. Average financial occupancy remained strong at 90% in 1H 2023 as UK higher education providers hosted 679,970 international students[3], a decade earlier than its 2030 commitment.

The UK has commenced AEIs at dwell MSV in Manchester and dwell Cathedral Campus in Liverpool, to convert selected cluster apartments to ensuite apartments, aligning to shifts in consumer demands post-Pandemic, to enhance occupancy and rental income. During the enhancement works, 203 beds are unavailable for leasing; excluding the beds down for AEI, financial occupancy was 97% for 1H 2023.

In the UK, continued shortage in PBSA supply in the face of increasing demand with the return of international students has enabled strong positive rental rate revisions, which has cushioned the impact of high energy prices, inflationary pressures and increased operating costs. Pre-bookings for Academic Year 2023/24 commencing September 2023 has been healthy, and the Group continues to explore opportunities to enhance its UK portfolio to meet evolving demands through AEIs.

Australia

In Australia, the average financial occupancy of the Group's two assets in Adelaide and Melbourne improved significantly from 58% in 1H 2022 to 86% in 1H 2023 with the return of international students in the pursuit of education. Occupancies are expected to remain at healthy levels given the growth in student population and demand for PBSAs[4]. In 1H 2023, the Group carried out minor reconfiguration to convert selected twin occupancy rooms to single occupancy room formats in continuing efforts to optimize occupancy and yield.

South Korea

In April 2023, as part of a strategic review and rationalisation of the Group's asset portfolio, Centurion completed the disposal of its South Korean asset, dwell Dongdaemun, for KRW 21.25 billion (approximately S$21.9 million). With the recycling of capital, the Group intends to align and focus its asset portfolio on countries where it believes it is able to expand and scale up its operations.

United States

Centurion's US portfolio comprises six freehold PBSAs, which are held under the Centurion US Student Housing Fund ("CUSSHF"), the Group's inaugural private fund. Centurion holds approximately 28.7% of the total number of units in issue in CUSSHF and is the manager of the fund and its assets. The portfolio assets continue to deliver healthy and stable occupancy, and the Group has in November 2022 extended the term of CUSSHF for a further two years. In 2Q 2023, CUSSHF successfully disposed of a single asset, dwell Tenn Street in Tallahassee, Florida.

Remarks:
3. International student recruitment data, Universities UK, 3 March 2023.
4. International students in Australia face accommodation crunch and soaring rents, Straits Times,11 February2023.

Looking Ahead

The Group remains mindful of macroeconomic headwinds such as high and rising interest rates as well as inflationary pressures in the year ahead, and will continue to practice prudent financial management to mitigate the economic uncertainty. Notwithstanding, Centurion remains confident that its portfolio of assets will continue to do well, given positive rental rate revisions across its markets supported by the current shortage of supply for both worker and student accommodations[5].

The Group also continues its strategic review of its specialised accommodation portfolio, aligned with ongoing efforts to execute capital recycling and capital allocation towards higher yielding markets and assets. This strategic realignment reiterates the Group's commitment to deliver sustained, long-term value to shareholders through both AEIs as well as investments in synergistic assets and businesses.

The Group will also continue to calibrate and enhance its assets, spaces and operations to adjust to demand shifts as well as regulatory changes to improve pandemic management resilience and ensure the wellbeing of its worker and student residents, as well as enhance operational efficiency going forward.

Remarks:
5. Student housing supply and demand gap widens, Real Asset Insight, May 2022

11. Use of proceeds

Not applicable

12. Dividend

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on ?

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

Shareholders in Singapore will receive the interim dividend of SGD1.0 cent per ordinary share. Shareholders in Hong Kong will receive the interim dividend of Hong Kong dollar equivalent of HKD5.77 cents* per ordinary share.

*Exchange used: SGD1 = HKD5.7737 as at 10 August 2023

(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
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.5 cent per ordinary share
Currency	SGD
Tax Rate	1-tier tax exempt

(c) Date Payable

The interim dividend will be paid on 29 September 2023.

(d) Book Closure Date

For shareholders in Singapore
Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 11 September 2023 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road #06-03, Robinson 77, Singapore 068896, up to 5:00 pm on 8 September 2023 will be registered to determine shareholders' entitlements to the interim dividend.

Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares at 5:00 pm on 8 September 2023 will be entitled to the interim dividend.

For shareholders in Hong Kong
The Hong Kong branch share register will be closed on 11 September 2023 for the purpose of determining the shareholders' entitlements to the interim dividend. In order to qualify for the interim dividend for shareholders whose names appear on the Hong Kong branch share register, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 pm on 8 September 2023.

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

Not applicable for half year results announcement.

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

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditors, PricewaterhouseCoopers LLP.

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

Not applicable.

17. 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 2022 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

18. 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 the unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2023 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 makes recommendations to the Audit Committee.

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

19. 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 six months ended 30 June 2023, the Company has complied with applicable provisions in the 2018 Code and HK CG Code, except those appropriately justified and disclosed.

20. 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 six months ended 30 June 2023.

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.

21. Publication of Information on the websites of Hong Kong Exchanges and Clearing Limited, the Company and SGX-ST

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 via SGXNET at www.sgx.com. The interim report of the Company for the six months ended 30 June 2023 will be despatched to shareholders in Hong Kong and published on the respective websites of the HKEX, SGX-ST via SGXNET and the Company in due course.

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

No forecast or prospect statement was previously disclosed to shareholders of the Company.

23. 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 general mandate from shareholders for IPTs.

24. 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

Not applicable for half year results announcement.

25. Subsequent Event

On 5 June 2023, the Company submitted an application to the SEHK for the voluntary withdrawal of the listing of its ordinary shares on the Main Board of the SEHK (the "Proposed De-Listing"), which has been approved by the Listing Committee of the SEHK on 13 July 2023 and the shareholders of the Company on 25 July 2023. The Proposed De-Listing is expected to take effect at 4:00 p.m. on Wednesday, 1 November 2023, subject to fulfillment of all conditions as disclosed in the Company's circular to shareholders dated 7 July 2023. For details, please refer to the Company's announcements dated 5 June 2023, 6 July 2023, 17 July 2023 and 25 July 2023 respectively, and the Company's circular to shareholders dated 7 July 2023.

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.

27. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual of SGX-ST

On behalf of the Board of Directors of the Company, we, Wong Kok Hoe and Loh Kim Kang David, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the half year ended 30 June 2023 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
CENTURION CORPORATION LIMITED
Kong Chee Min
Chief Executive Officer
10 August 2023

As at the date of this announcement, the Board comprises Mr. Loh Kim Kang David, Mr. Wong Kok Hoe and Mr. Teo Peng Kwang as executive directors; Mr. Han Seng Juan as non-executive director; 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.