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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)

EARLY LEASE TERMINATION POLICY FOR THE STUDENT ACCOMMODATION PORTFOLIO IN THE UNITED KINGDOM

This announcement is made by Centurion Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as well as in accordance with Rule 703 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX Listing Manual**”) for the purpose of keeping the shareholders of the Company (the “**Shareholders**”) and potential investors informed on the early lease termination policy for the student accommodation portfolio of the Group in the United Kingdom (the “**UK**”) as a result of the outbreak of coronavirus (“**COVID-19**”).

EARLY LEASE TERMINATION OF STUDENT ACCOMMODATION PORTFOLIO IN THE UK

On 23 March 2020, the UK government instituted a nationwide lockdown to contain the spread of COVID-19, which has been extended on 16 April 2020 for at least a further three weeks (the “**Lockdown**”). The Group owns and manages 11 (including one owned through a private fund which the Group has 14.29% shareholding) purpose-built student accommodation (“**PBSA**”) properties in the UK, the operations of which have been temporarily impacted by the Lockdown, as all universities in the UK have moved academic programmes and curriculum online for the remainder of the academic year 2019–2020 (“**AY19–20**”), and students can choose to return home and continue their programmes from home.

The board (the “**Board**”) of directors of the Company (the “**Directors**”) would like to inform the Shareholders and potential investors that, after due assessment of the universities’ actions and conditions faced by the Group’s student-residents, particularly in the last semester of the UK AY19–20 following the Easter holidays, and taking careful consideration of both short and long term interests of the Group’s multiple stakeholders, the Group has decided to offer student-residents of its PBSA properties in the UK an option to early terminate their remaining contracted leases as long as student-residents submit a request for such early termination on or before 26 April 2020. Student-residents who choose to return home for the final semester of AY19–20 may terminate their leases early and will not have to pay rent from 1 May 2020 until the end of the contracted lease term. Student who have paid for their leases in full in advance and choose to early terminate the remaining leases will receive a refund for the lease period beginning from 1 May 2020 until the end of the contracted lease term. Student-residents may choose not to return home and continue to stay in the Group’s PBSA properties in the UK. In such case, their leases will be retained during the period and the Group’s PBSA properties will remain operational to support these student-residents choosing to remain within the Group’s PBSA properties. As such, the Group expects a lower occupancy rate at its PBSA properties in the UK for the remainder of AY19–20 from 1 May through end of August 2020. The Group anticipates a reduction in revenue for the period of between GBP3 million to GBP5 million, depending on the number of student-residents who will take up the offer to early terminate their leases.

The impact of the offer for early termination of leases on the Group’s revenue is based on unaudited and estimated figures, which is provided to investors to understand the impact of the early termination of leases on the Group only. The Company advises investors to exercise caution when using such information. The Board is of the view that the early termination of leases has no effect on the sustainable operating capacity and the long-term development of the Group. The Group continues to closely monitor the situation in its other PBSA markets and will provide updates as and when there are material developments to the markets.

UPDATES ON THE GROUP’S PURPOSE-BUILT WORKER ACCOMMODATION (“PBWA”) OPERATIONS IN SINGAPORE AND MALAYSIA

In Singapore, while there have been confirmed cases of COVID-19 infection in some of the Group’s PBWA properties in Singapore, and while tightened containment measures which the Group has implemented across all its PBWA properties nationally have increased operational requirements, there has been no impact on the financial occupancy of the Group’s PBWA portfolio in Singapore.

In Malaysia, with the Malaysian government’s Movement Control Orders in place, the Group’s PBWA operations remain stable, and no impact is expected on the financial occupancy of the Group’s PBWA portfolio in Malaysia.

The Company will strengthen its cash flow management and control to conserve cash by adopting measures such as increasing its focus on operating cost management, and deferring developments and any discretionary capital expenditures. Further, with effect from 1 May 2020, the Directors will take a voluntary 15% reduction in directors' fees and senior management staff of the Group in Singapore will take a pay cut ranging from 10% to 15%, subject to further review at the end of the year.

The information contained in this announcement is only based on a preliminary assessment made by the Board on the unaudited and estimated figures, and such information has not been audited or reviewed by the Company's independent auditor.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company. When in doubt as to the action they should take, shareholders and potential investors are advised to consult their stockbrokers, bank managers, accountants, solicitors or other professional advisers.

By order of the Board
Centurion Corporation Limited
Kong Chee Min
Chief Executive Officer

Hong Kong, Singapore, 20 April 2020

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.

* *For identification purpose only*