



Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)

(Co. Reg. No.: 198401088W)

FY 2021 Financial Results

24 February 2022



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Company Overview

An established business with strong fundamentals operating in a growing market

- The largest purpose built workers accommodation provider in Singapore and Malaysia * with **17** operating assets
 - Supported by stable occupancy and bed rates
- A student accommodation business in major global education hubs
 - **19** operating assets in Australia, South Korea, UK and US
 - Established investment management platform to manage US student accommodation assets for third party investors
- Operating a high quality portfolio in key locations through **two established and professional brand platforms**



Dedicated to workers accommodation



Dedicated to student accommodation



- Proven and reliable ability to generate **quality earnings** and **steady cashflow** from assets
- A **stable and experienced leadership team** with an average of 20+ years in the industry

Note: * Euromonitor report, 2017

Centurion Corporation Limited

Experienced and Competent Management Team

Highly qualified senior management with extensive experience



Wong Kok Hoe
Executive Director

- Re-designated from Non-Executive Director to Executive Director and appointed as Deputy Chairman of the Board in November 2019, responsible for the strategic planning and overall management of the Group
- Also a Director at Centurion Global Ltd, a controlling shareholder of the Company
- More than 18 years of legal experience in corporate law, corporate finance, and mergers and acquisitions



Kong Chee Min
CEO

- Appointed as the Group's CEO in August 2011 and oversees its operations and strategic growth
- Joined the Group in 1996 and was its Regional CEO and Finance Director
- Certified Public Accountant with over 26 years of finance and corporate management experience
- Named Best CEO (Small Cap Category – companies with less than S\$300 million in market capitalisation) at the Singapore Corporate Awards 2016



Foo Ai Huey
CFO

- Appointed as the Group's CFO in August 2011 and oversees its finance accounting and tax functions
- Over 25 years of experience in finance and accounting related experience
- Named Best CFO (Small Cap Category – companies with less than S\$300 million in market capitalisation) at the Singapore Corporate Awards 2017



Kelvin Teo
COO,
Accommodation
Business

- Responsible for the day-to-day operations and expansion of the Group's accommodation business
- First Vice President of Dormitory Association of Singapore
- Over 30 years of experience in the property and accommodation development and management business



Ho Lip Chin
CIO,
Accommodation
Business

- Responsible for growing the Group's Accommodation Business
- Over 20 years of experience in real estate and hospitality industries across Asia Pacific

Corporate Milestones



- Completed acquisition of Westlite Toh Guan and 45% interest in Lian Beng-Centurion
- Renamed Centurion Corporation Limited following RTO

- Opened the 5,800-bed Westlite Johor Technology Park
- Completed upgrading of Westlite Toh Guan
- Acquired RMIT Village in Melbourne, Australia
- Opened the 6,300-bed Westlite Mandai, Singapore
- Acquired four student accommodation assets in Manchester and Liverpool in the UK



- Acquired four student accommodation assets in Bristol, Newcastle and Manchester, UK
- Completed 7,900-bed ASPRI-Westlite Papan workers accommodation



- Completed construction and development of 280-bed dwell East End Adelaide in October
- Acquired 127-bed Princess Street, Manchester and 133-bed Castle Gate Haus, Nottingham, UK; and 208-bed dwell Dongdaemun (55% stake), Seoul, South Korea



- Secured 3+1 year lease to manage 4 Quick Build Dormitories (up to 6,400 beds) from JTC Corporation
- Secured 21+9 year lease to manage a ready-built workers dormitory (approx. 6,044 beds) from the Selangor State Development Corporation

1984

2011

2012

2014

2015

2016

2017

2018

2019

2020

2021

- Incorporated in Singapore to provide audio cassette tape duplication services



- Acquired assets in Johor (Westlite Tebrau, 2 blocks of workers accommodation at Pasir Gudang), Malaysia and a piece of land in Port Hedland Western Australia

- Awarded the tender to operate a 332-bed student accommodation, dwell Selegie, Singapore
- Completed 4,100-bed Westlite Woodlands workers accommodation asset



- Launched "dwell" as the Group's student accommodation brand
- Acquired a development site at Adelaide
- Dual primary listed in HK in Dec 2017 (SEHK code: 6090)
- Acquired six US assets (28.7% share)

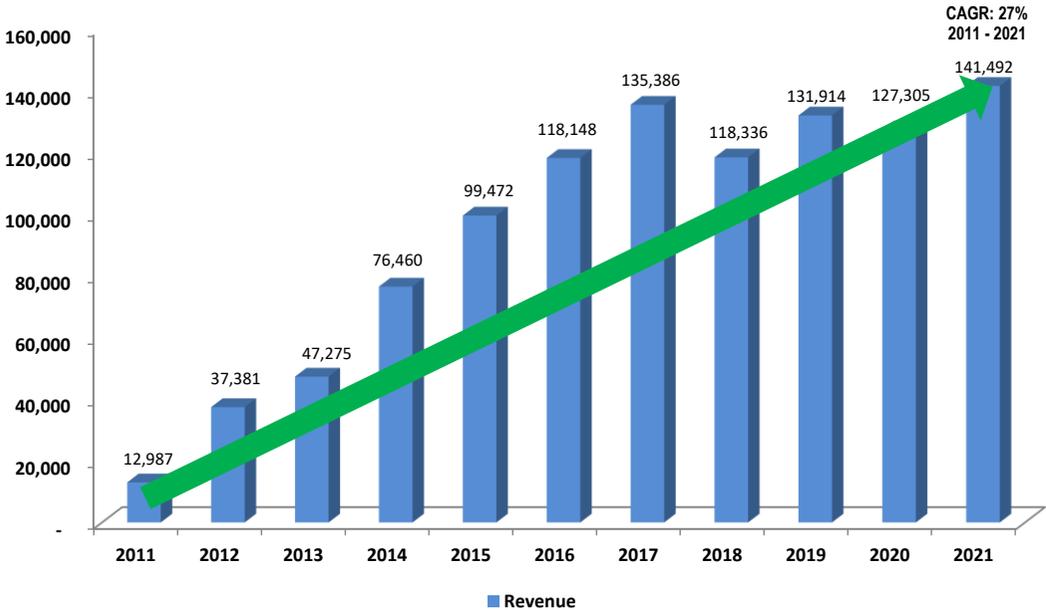


- Completed development of Westlite Bukit Minyak
- Secured 10+5 year lease to operate Westlite Juniper
- Acquired 177-bed Archer House, Nottingham, UK

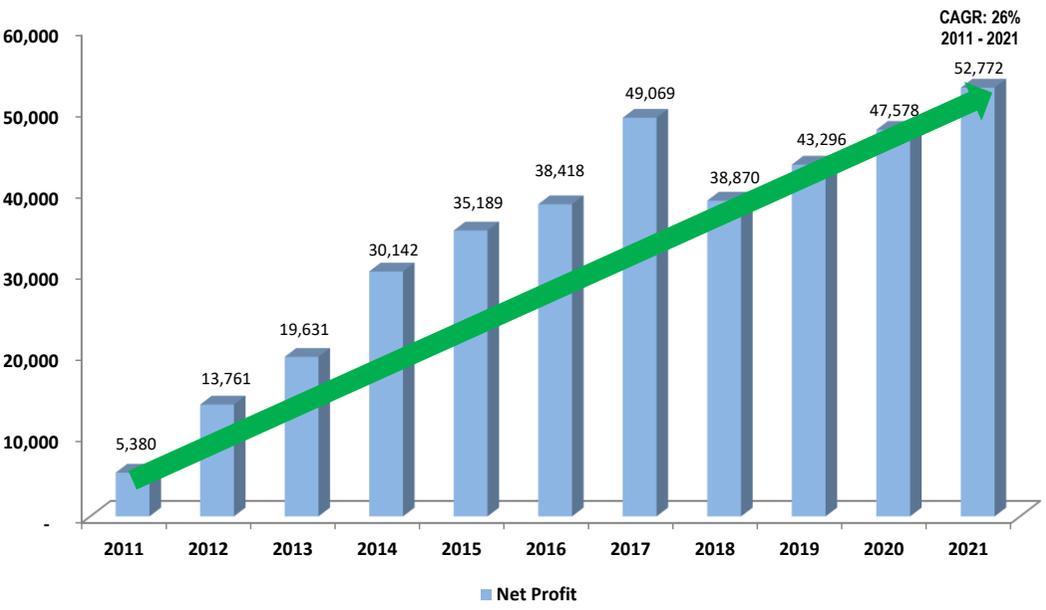
- Secured management contracts for 2 Migrant Worker Onboarding Centres ("MWOCs")
- Commenced AEI at Westlite Toh Guan to redevelop 1 block
- Completed development of 3 additional blocks adjacent to existing Westlite Tampoi
- Acquired and retro-fitted 2 blocks adjacent to Westlite Pasir Gudang

Financial Growth of Accommodation Business

Accommodation - Revenue¹ (\$\$'000)



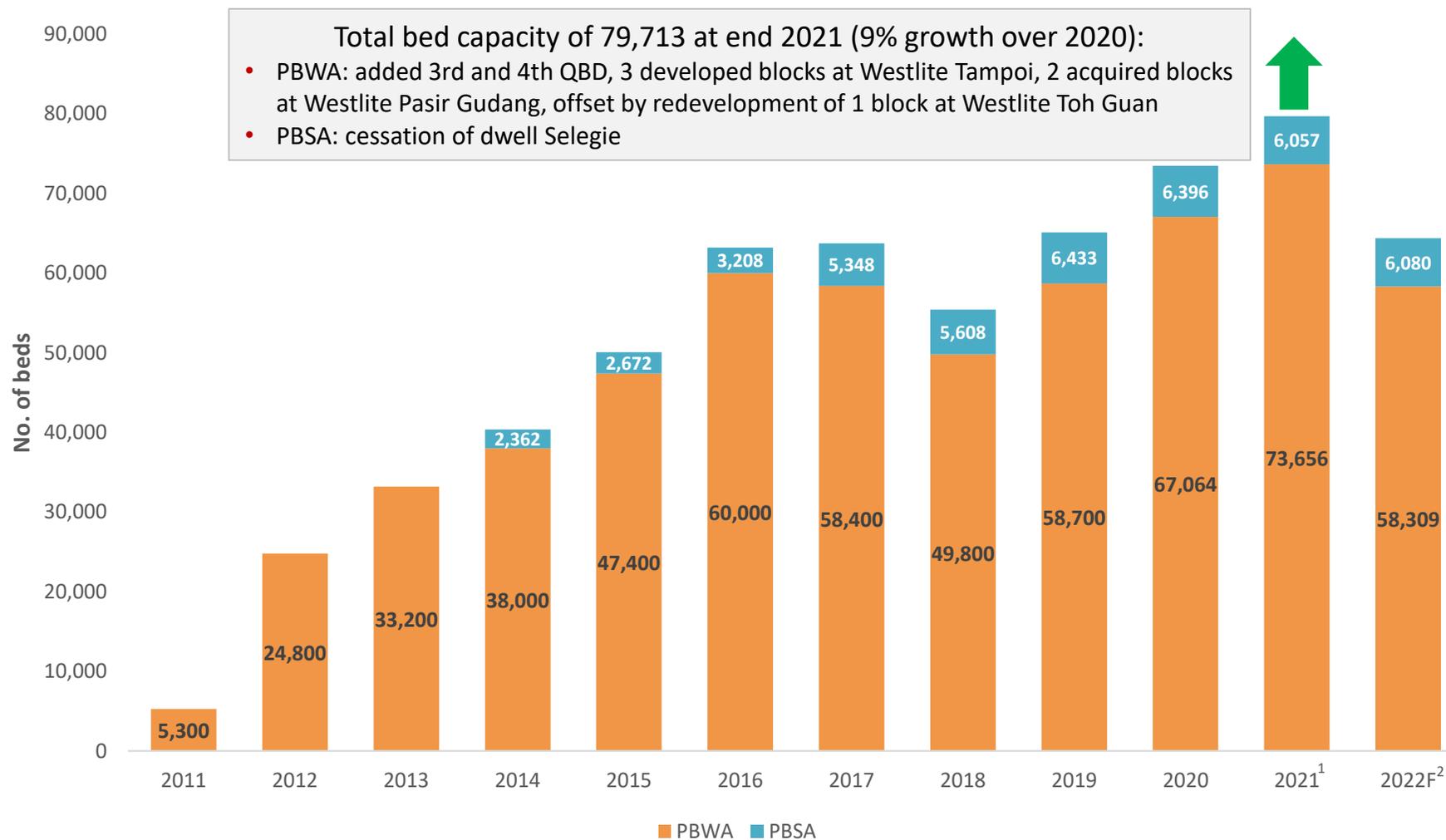
Accommodation - Net Profit¹ (\$\$'000)



Note:
1. From core business operations

Accommodation Growth Profile

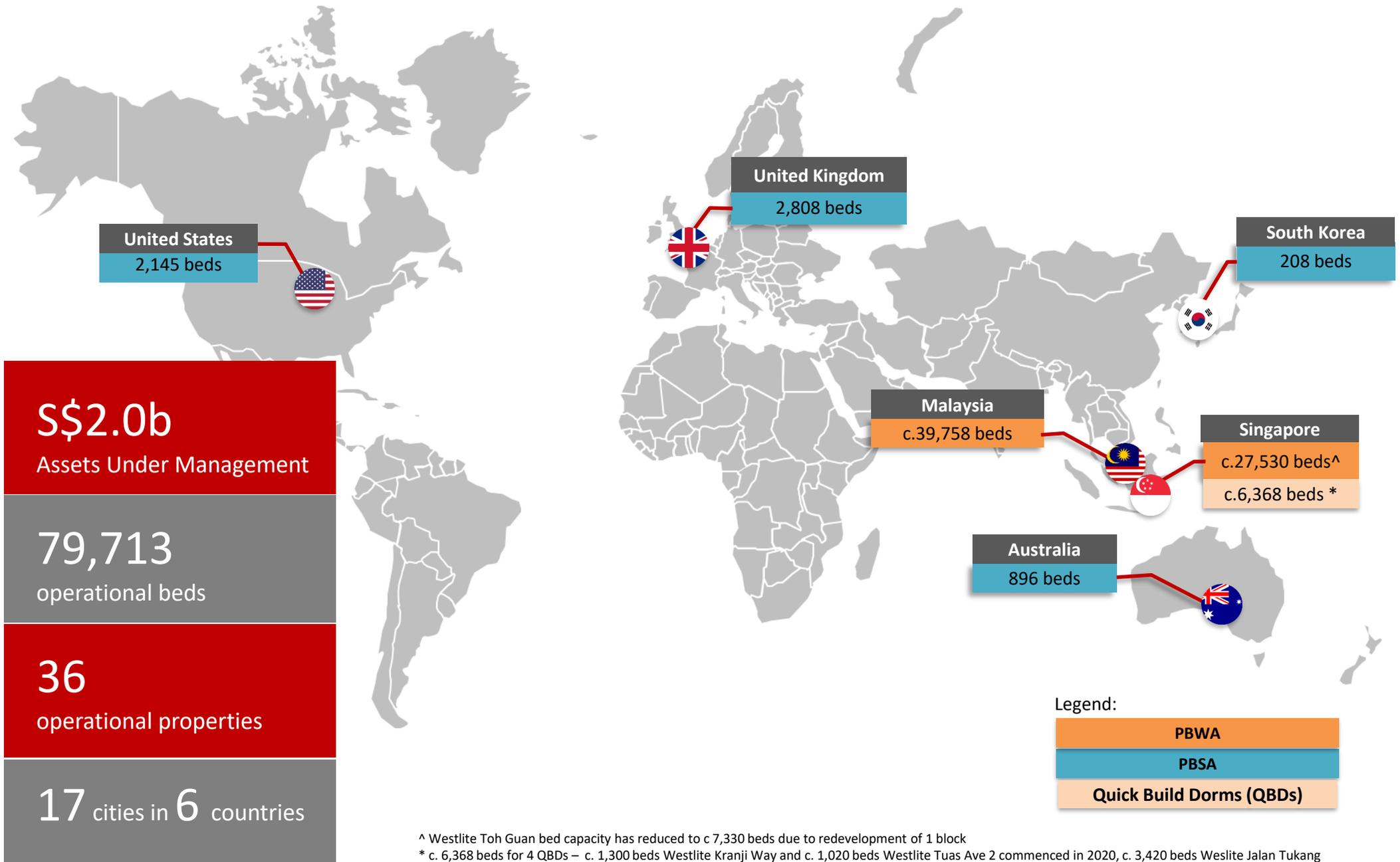
Accommodation Portfolio - Bed Capacity



Note:

1. SG - Westlite Toh Guan bed capacity reduced to c 7,330 beds due to redevelopment of 1 block
2. MY - Post reconfiguration works to comply with Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446") with effect from 1 Jan 2022

Diversified Business Portfolio across Geography and Asset Type





Financial Review



FY 2021 Key Performance Highlights

Revenue

S\$143.0m

▲ 11% from S\$128.4m in FY 2020

- New PBWA capacity and revenue streams that came into operations
- Recovery of occupancies in UK PBSA portfolio
- Partly offset by:-
 - Lower revenue from Australia PBSA and Singapore PBDs as occupancies were impacted by COVID-19

NPAT(Equity holder)¹

S\$52.7m

▲ 207% from S\$17.2m in FY 2020

- Higher revenues mainly in SG, MY, UK
- Lower fair value losses on investment properties
- Higher profit from associated companies and joint venture largely from fair value gains on investment properties
- Partly offset by higher deferred tax provided on fair value adjustments

Excluding Fair Valuation Adjustments
Net Profit from Core Business

S\$53.1m

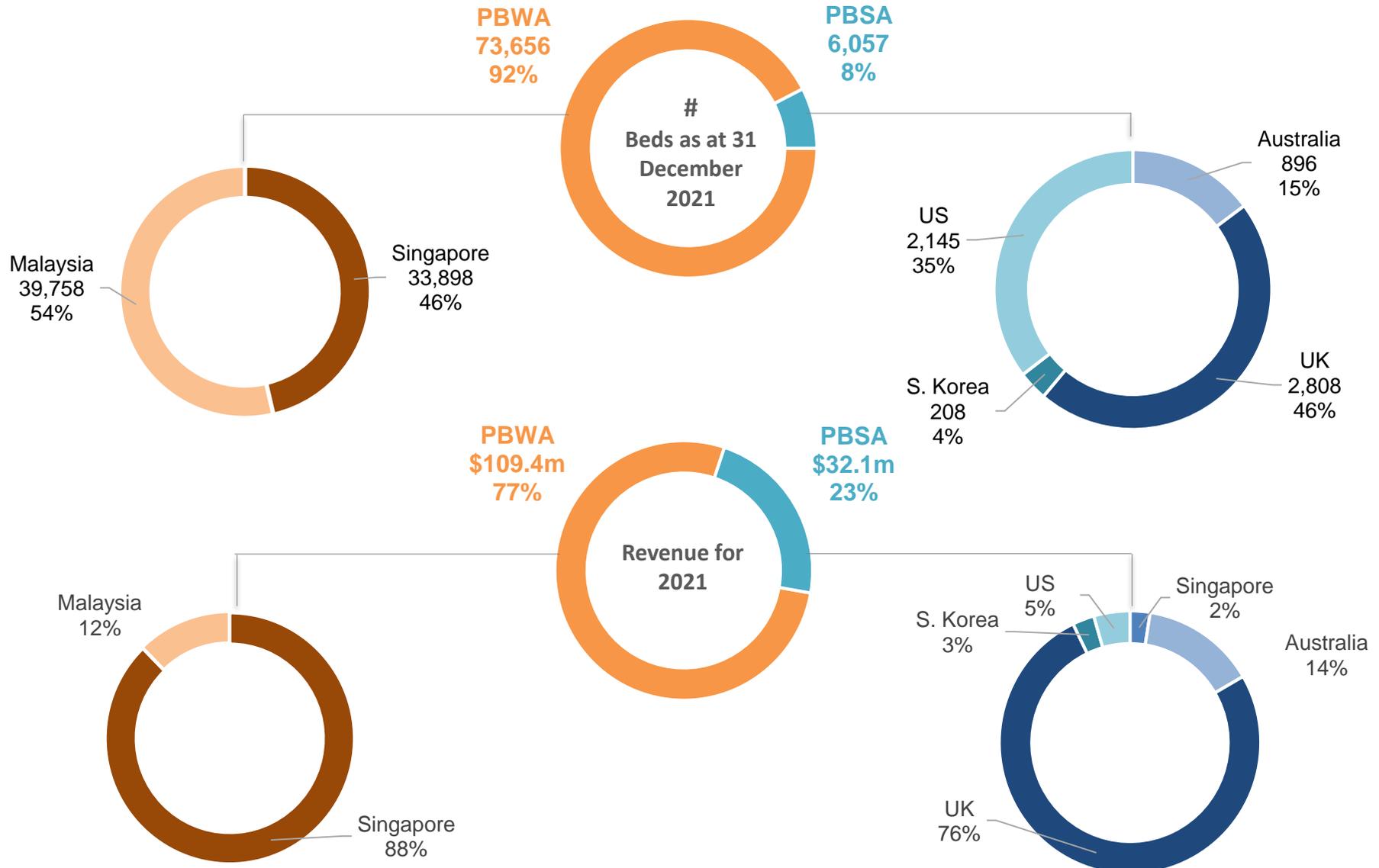
▲ 12% from S\$47.3m in FY 2020

Note:

1. NPAT(Equity holders) = Profit attributable to equity holders, which excludes the 49% interest in ASPRI-Westlite Papan.

Diversified Business Portfolio by Asset Type and across Geographies

Good diversification at asset class, country and asset levels



Financial Overview

S\$'000	2H 2021	2H 2020	Change %	12M 2021	12M 2020	Change %
Revenue	78,290	61,765	▲ 27%	143,017	128,355	▲ 11%
Gross Profit	50,855	41,532	▲ 22%	94,316	89,599	▲ 5%
Gross Profit Margin	65%	67%	▼ -2pp	66%	70%	▼ -4pp
Net Profit	46,699	(5,174)	N/M	55,797	18,711	▲ 198%
Net Profit (Equity holders) ¹	43,944	(3,834)	N/M	52,679	17,171	▲ 207%
Net Profit from core business	29,131	23,421	▲ 24%	53,088	47,306	▲ 12%
Net Profit Margin	37%	38%	▼ -1pp	37%	37%	0pp
Net Profit from core business (Equity holders) ¹	26,102	20,315	▲ 28%	46,486	41,320	▲ 13%

- **Revenue increased 11% to S\$143 million in 12M 2021** mainly due to:
 - contribution from new revenue streams with operational QBDs, MWOC in Singapore and a PBWA in Malaysia
 - improved occupancy in PBSA in UK recovering from COVID-19 disruption
 - partly offset by lower occupancies caused by COVID-19 in AU PBSA and SG PBDs

- **Share of profits from associated companies and joint venture** increased S\$10.3m due to fair value uplift on US PBSA properties

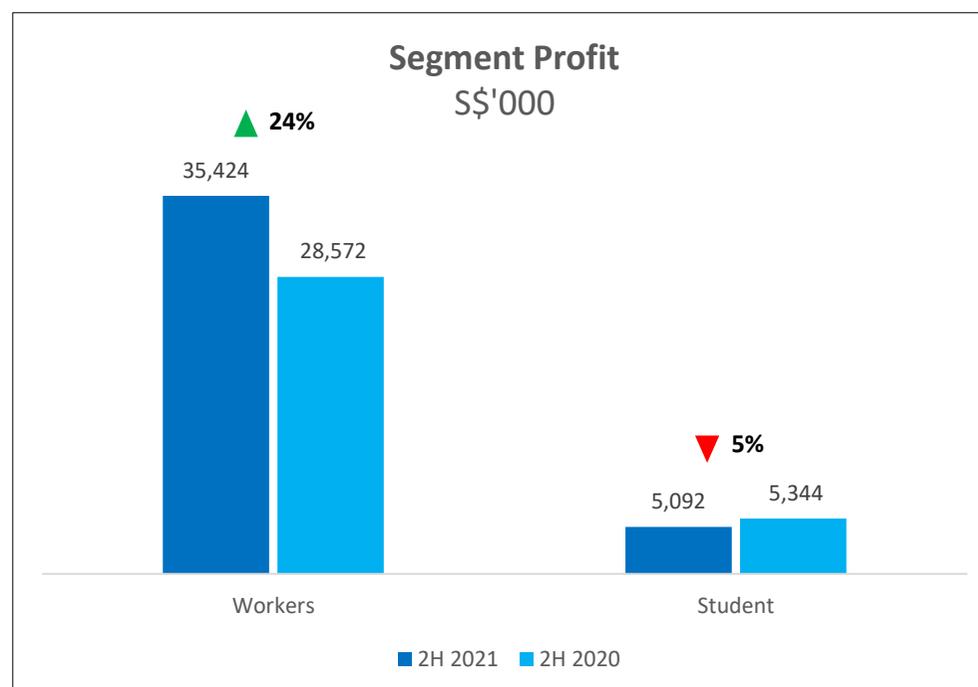
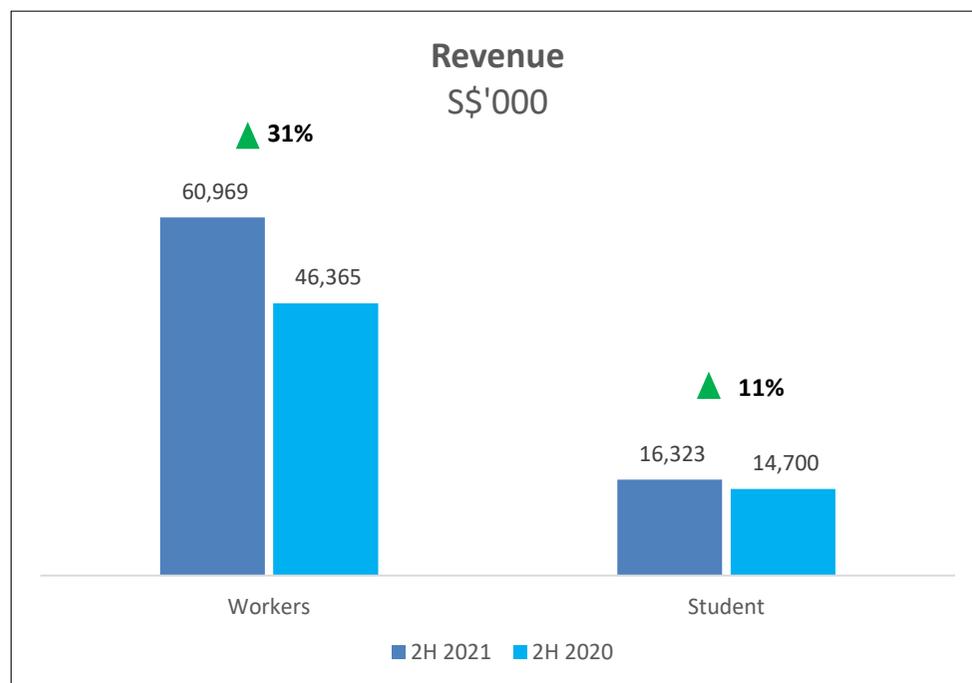
- **Net fair valuation loss of S\$3.1 million in 12M 2021** as compared to net fair valuation loss of S\$27.6 million in 12M 2020
 - mainly fair value reductions on SG PBWA and ROU assets, mainly QBD leases
 - offset by fair valuation gains of UK PBSA assets and Malaysia PBWA; reflection of current market conditions on paths of recovery

- **Excluding fair valuation adjustments, Net Profit from core business (Equity holders) increased 13% in 12M 2021:**
 - contribution from new revenue streams and better performance in UK
 - write back S\$112k in 12M 2021 vs impairment of receivables S\$1.3m in 12M 2020
 - lower finance expenses S\$0.6m due to lower interest rate environment

Segment Breakdown

Accommodation Business Results in 2H 2021

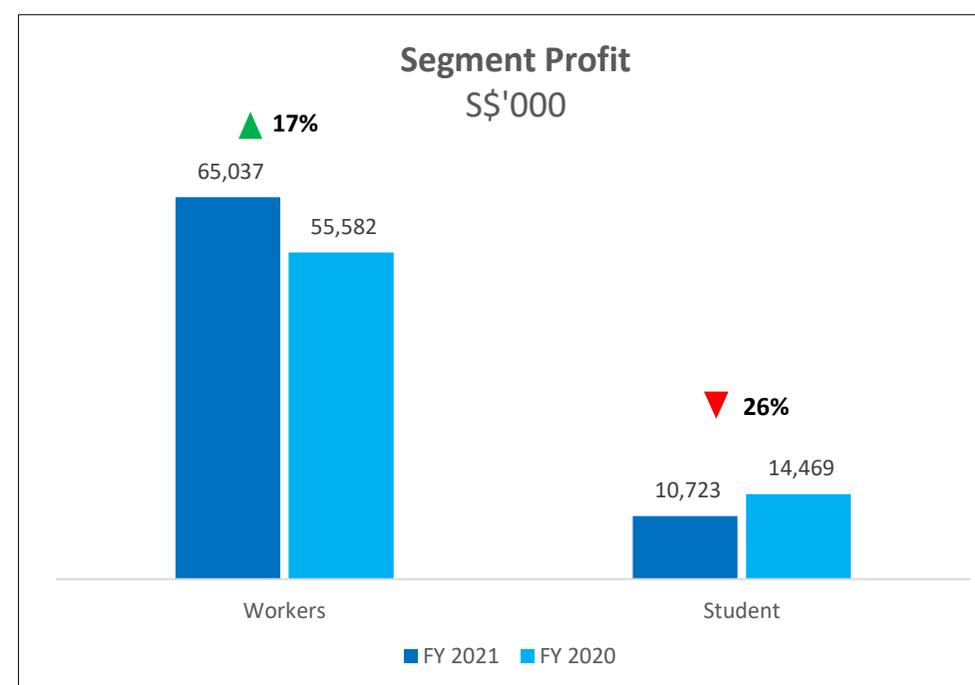
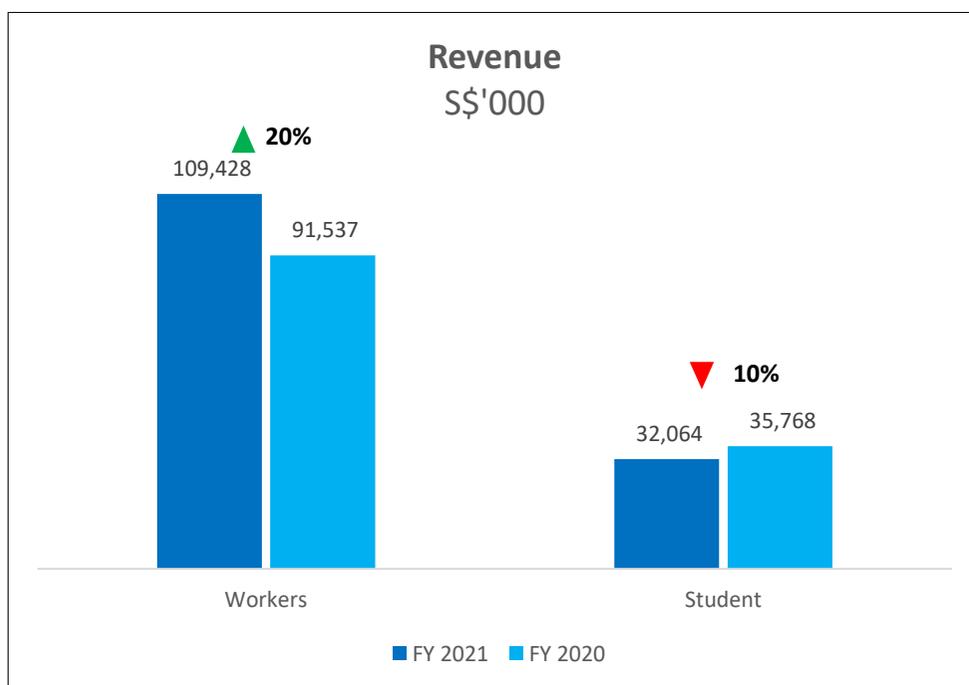
S\$'000	Accommodation					
	Workers			Student		
	2H 2021	2H 2020	Change	2H 2021	2H 2020	Change
Revenue	60,969	46,365	▲ 31%	16,323	14,700	▲ 11%
Segment Profit	35,424	28,572	▲ 24%	5,092	5,344	▼ -5%
Segment Margin	58%	62%	▼ -4pp	31%	36%	▼ -5pp



Segment Breakdown

Accommodation Business Results in FY 2021

S\$'000	Accommodation					
	Workers			Student		
	FY 2021	FY 2020	Change	FY 2021	FY 2020	Change
Revenue	109,428	91,537	▲ 20%	32,064	35,768	▼ -10%
Segment Profit	65,037	55,582	▲ 17%	10,723	14,469	▼ -26%
Segment Margin	59%	61%	▼ -2pp	33%	40%	▼ -7pp



Balance Sheet Highlights

S\$'000	31 Dec 2021	31 Dec 2020	Change %
Cash & Bank Balances	67,493	83,868	▼ -20%
Current Assets	96,630	108,998	▼ -11%
Non Current Assets	1,486,084	1,432,714	▲ 4%
Total Assets	1,582,714	1,541,712	▲ 3%
Current Liabilities	136,844	129,098	▲ 6%
Non Current Liabilities	768,551	783,829	▼ -2%
Total Liabilities	905,395	912,927	▼ -1%
Net Assets	677,319	628,785	▲ 8%
Net Gearing Ratio ¹	47%	48%	▼ -1pp

- ❑ **Healthy Balance Sheet** – S\$67.5m in cash and bank balances
- ❑ **Cash and bank balances** – decrease largely due to redemption of remaining Series 004 Notes of S\$12.3 million in February 2021
- ❑ **Current Liabilities** – increase due to rental deposits collected from QBDs and advance rentals collected by UK in new academic year. The Group has sufficient cash resources and banking facilities available totaling S\$167.7m to meet its current liabilities
- ❑ **Net Assets** – increase due to higher profits arising from increased revenue
- ❑ Average long term bank debt maturity profile of 6 years
- ❑ Interest cover is well within interest cover threshold
 - 3.8 times

1. The net gearing ratio is computed as borrowings less cash and bank balances divided by total capital. Total capital is calculated as borrowings plus net assets of the Group.

Key Ratios

S\$'000	FY 2021	FY 2020
Earnings Per Share	6.27¢	2.04¢
Earnings Per Share From core business operations ¹	5.53¢	4.91¢
NAV Per Share	78.46¢	72.03¢
Share Price	33.00¢ ²	35.00¢ ³
Dividend	0.5¢ ⁴	-
Market Capitalisation	S\$277m ²	S\$294m ³

Notes:

1. Excluding one-off items
2. As at 31 December 2021
3. As at 31 December 2020
4. The Board has recommended a final dividend of 0.5 Singapore cent per ordinary share for FY 2021 (equivalent to 2.88 Hong Kong cents per ordinary share)



Business Review

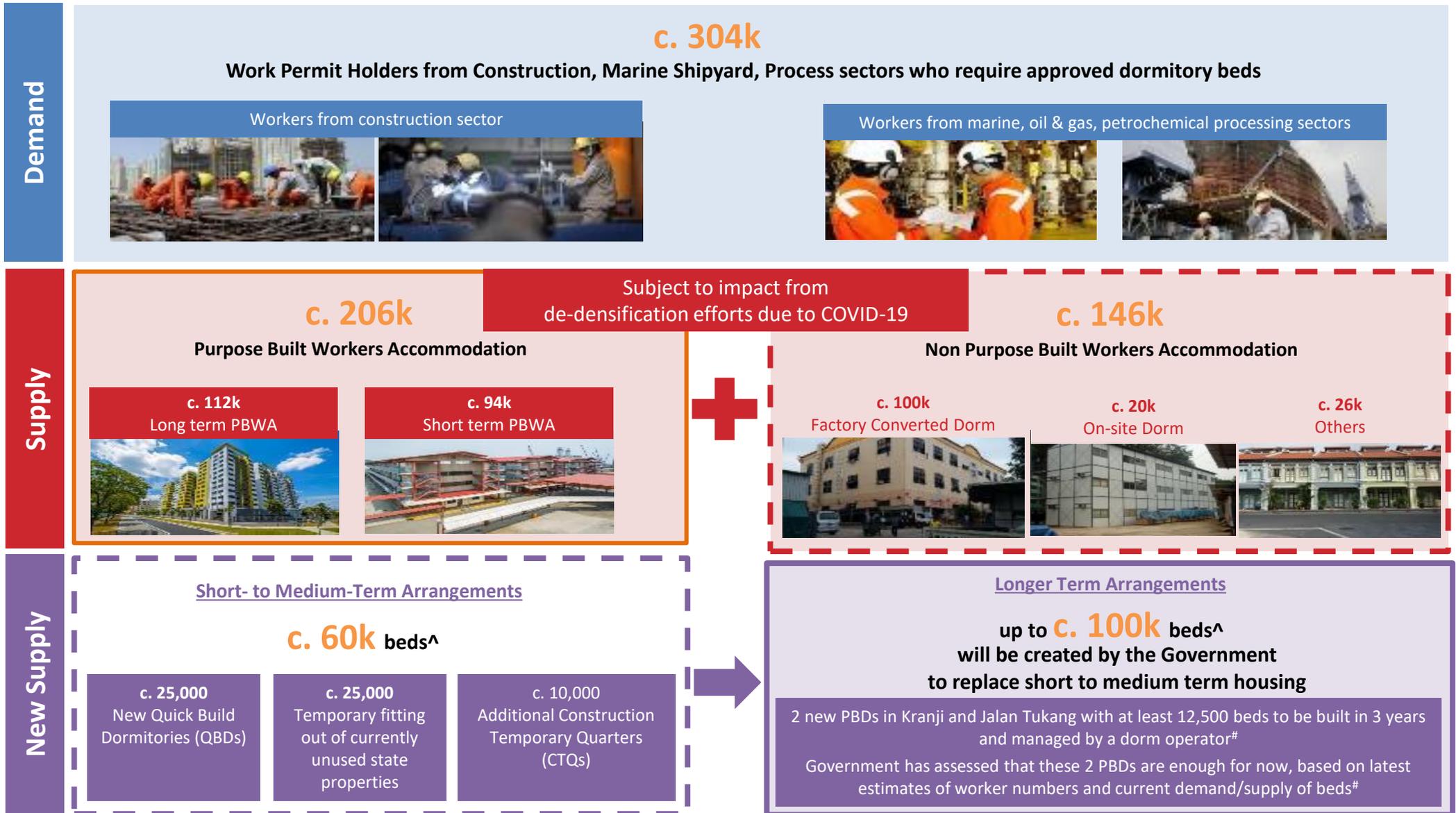




Purpose Built Workers Accommodation



Workers Accommodation Landscape - SG



Source: Singapore Ministry of Manpower (as at Jun 2021), Channel News Asia, The Straits Times, Centurion research

^ [Joint MND-MOM Media Release on New Dormitories with Improved Standards for Migrant Workers - 1 Jun 2020](#)

[MOM, MND, MOH - Improved Standards For New Migrant Worker Dormitories To Strengthen Public Health Resilience And Enhance Liveability - 17 Sep 2021](#)

Workers Accommodation – Portfolio at a glance

Singapore – 9 Properties



7,900
Beds

23
Years
wef 2015

ASPRI-Westlite Papan
(51% owned)



7,330
Beds

60
Years
wef 1997

Westlite Toh Guan*



6,300
Beds

Freehold

Westlite Mandai
(45% owned)



4,100
Beds

30
Years
wef 2013

Westlite Woodlands



1,900
Beds

10+5
Years
wef 2019

Westlite Juniper



1,300
Beds

3+1
Years
wef 2020

Westlite Kranji Way



1,020
Beds

3+1
Years
wef 2020

Westlite Tuas Avenue 2



3,420
Beds

3+1
Years
wef 2021

Westlite Jalan Tukang



628
Beds

3+1
Years
wef 2021

Westlite Tuas South Boulevard

Orange = Quick Build Dormitories

Workers Accommodation



Singapore

- Secured master lease from JTC Corporation to operate 4 QBDs of c. 6,400 beds in FY 2020
 - 2 QBDs have commenced operations during 2020 and have ramped up occupancy healthily
 - 3rd QBD Westlite Jalan Tukang commenced operations in 1H 2021
 - 4th QBD Westlite Tuas South Boulevard commenced operations in 4Q 2021
- Reduction in migrant workers affecting demand for available PBD beds until the migrant worker numbers recover to pre-COVID-19 levels
 - approximately 60,000 short to mid term supply of beds¹ has increased the bed supply due to COVID-19 which is only expected to expire over the next few years
 - number of work permit holders of 834,000 as at Jun 2021 16% lower compared to Dec 2019²
- Recovery in numbers of migrant workforce in the Construction, Marine and Process industry segments expected to be gradual
- Expanded revenue streams by securing contracts to manage two Migrant Worker Onboarding Centres (“MWOCs”) that commenced operations since 1H 2021
- New specifications for existing PBDs expected to be announced in 2022
 - will require dormitory owners and operators to do retrofitting works and calibrate accordingly
 - time and support expected to be extended by the authorities for the industry to achieve the desired state³

¹ Comprises quick build dormitories, temporary fitting out of currently unused state properties, and construction temporary quarters

² [The Big Read: The COVID-19-induced foreigners' exodus — will they return to Singapore and what if they don't?](#), CNA, 31 January 2022

³ [MOM to embark on multi-year road map to build more resilient migrant workforce: Tan See Leng](#), The Straits Times, 18 December 2021

Workers Accommodation – Portfolio at a glance (cont'd)

Malaysia – 8 Properties



6,600
Beds

Freehold

Westlite Bukit Minyak



5,900
Beds

Freehold

Westlite Senai II



5,800
Beds

99
Years
wef 2013

Westlite Johor Tech Park



7,330
Beds

Freehold

Westlite Tampoi*



2,600
Beds

Freehold

Westlite Senai



2,100
Beds

60
Years
wef 2000

Westlite Tebrau



2,984
Beds + **400**
Beds

99
Years
wef 1986 + **9**
Years
wef 2019

Westlite Pasir Gudang^



6,044
Beds

21+9
Years
wef 2020

Westlite – PKNS Petaling Jaya

*Expanded bed capacity post completion of Westlite Tampoi AEI, adding 3 blocks with reduced bed capacity to comply with Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446")

^ Expanded bed capacity post completion of retrofitting for 2 acquired blocks adjacent to Westlite Pasir Gudang

Workers Accommodation



Malaysia

- Continued to achieve portfolio expansion in 2021
 - Retrofitting works at 2 acquired blocks adjacent to Westlite Pasir Gudang completed
 - Development works of 3 additional blocks on an existing piece of land at Tampoi completed
- The Amendment to the Workers' Minimum Standards of Housing and Amenities Act ("Act 446") is now enforceable
 - Group has progressively reconfigured its PBWA assets and is fully compliant with Act 446 as at 1 Jan 2022
- Demand for quality and well-planned workers' accommodations is expected to increase in order to comply with Act 446
 - Johor, Penang, and Selangor are top three states with highest number of foreign workers in manufacturing sector, which dominates the number of foreign workers, with about 35% of the country's estimated 2 million foreign workforce¹
- Headwinds remain as migrant workforce has reduced; recovery is expected to be gradual
 - many businesses scaled down operations during the COVID-19 pandemic
 - existing workers left the country and measures to curb the virus' transmission impacting employers' ability to bring new workers in²

¹'The Changing Landscape Of Workers' Accommodations', Knight Frank, November 2021

² [Malaysia's glove industry appeals for foreign labour intake amid Covid-19 restrictions](#), The Straits Times, 28 September 2021

Workers Accommodation

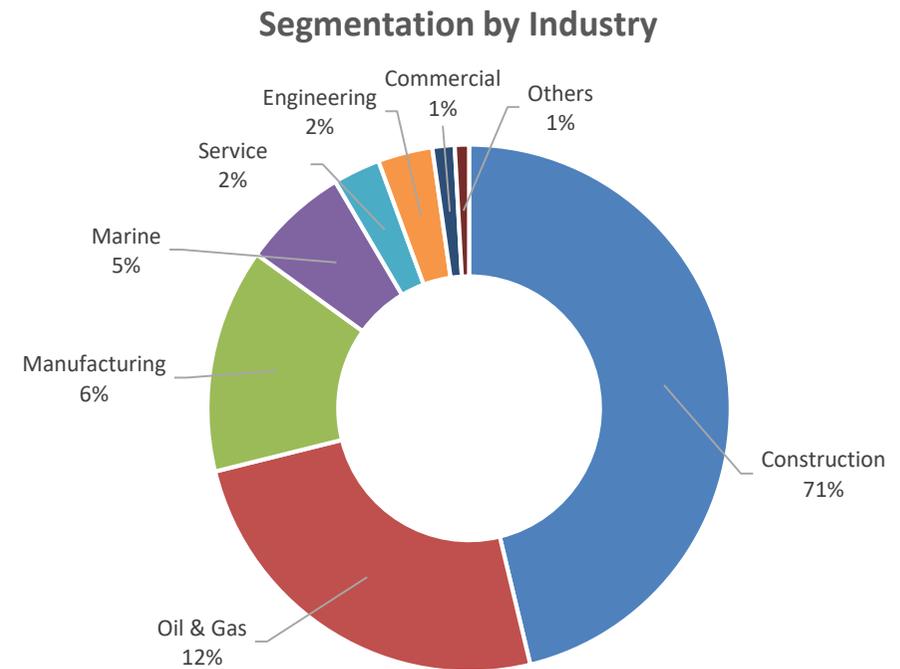
Diversified, stable customer base

- more than 1,312 customers in Singapore and Malaysia
- serves companies from diverse industries
- ability to cater to multiple industries insulate the Group
- less affected by economic fluctuations or government policies affecting any one industry

S/N.	Industry Percentage	(%)
1	Construction	71
2	Oil & Gas	12
3	Manufacturing	6
4	Marine	5
5	Service	2
6	Engineering	2
7	Commercial	1
8	Others	1
	Total	100

^ Breakdown of workers revenue by industry for Singapore and Malaysia only

* As at 31 December 2021





Purpose Built Student Accommodation



Student Accommodation – Portfolio at a glance

United Kingdom – 10 Properties



1,003
Beds

Freehold

dwell Manchester Student Village (MSV)



362
Beds

Freehold

dwell MSV South



145
Beds

Freehold

dwell The Grafton



140
Beds

125
Years
wef 2008

dwell Weston Court



127
Beds

Freehold

dwell Princess Street



157
Beds

125
Years
wef 2009

dwell Hotwells House



383
Beds

250
Years
wef 2007

dwell Cathedral Campus



181
Beds

125
Years
wef 1995

dwell Garth Heads



177
Beds

Freehold

dwell Archer House



133
Beds

Freehold

dwell Castle Gate Haus[^]

[^] Centurion Overseas Investments Pte. Ltd. holds approximately 14.3% of the total number of units in the Centurion Student Accommodation Fund, which acquired dwell Castle Gate Haus
Centurion Corporation Limited

Student Accommodation



UK

- Average financial occupancy has improved to 82% for 2H 2021
 - UK expanded recognition of vaccination certificates from a growing number of countries¹ and reduced COVID-19 testing upon arrivals²
 - international student arrivals recovering as travel restrictions are lifted
- Government has committed to develop UK as a global education hub
 - UK higher education providers have hit their 600,000 target a decade earlier, with 605,130 international students hosted in the AY2020/21³
- As of December 2021, bookings AY21/22 have reached closed to 90%
 - enquiries into bookings for AY22/23 have begun
- Occupancy is expected to recover further when pandemic conditions stabilise
 - pent-up demand from both international and domestic students
 - students desire on-campus study experience, universities fully resume on-campus academic programmes

¹ ['England set to remove final countries from Covid travel 'red list'', The Guardian, 28 October 2021](#)

² 'UK to lift COVID test requirements for vaccinated travellers, students from Feb. 11', Study International, 25 January 2022

³ 'UK Meets Target of 600,000 International Students Ten Years Earlier Than Planned', Erudera College News, 25 January 2022

Student Accommodation – Portfolio at a glance (cont'd)

Australia – 2 Properties



dwell Village Melbourne City



dwell East End Adelaide

Korea



**dwell Dongdaemun
(55% owned)**

Student Accommodation



Australia

- Average financial occupancy of the Group's two assets declined to 26% in FY 2021 but gradually improving
 - many international students are now allowed back into the country since border re-opening was announced in November 2021
 - Australian share of demand from international students recovered from low of 16.2% in Oct 2021 to 19.7% in Jan 2022¹
- financial occupancy expected to improve progressively over Semester 2 of AY 2022
 - barring changes to travel reopening and in-person university campus programmes



Singapore

- The Group ceased operations of dwell Selegie in early June when it declined the option for the third and final 2-year lease extension



South Korea

- Strong recovery with financial occupancy of 78% for 2H 2021 vs 55% for 1H 2021
 - close to full bookings for Semester 1, AY 2022
 - international student demand for exchange and language programmes remain robust

¹ ['Border opening spurs rebound in demand from international students', The Conversation, 19 January 2022](#)

Student Accommodation – Portfolio at a glance (cont'd)

United States# - 6 Properties



dwel Logan Square



dwel Tenn Street



dwel The Towers On State



dwel The Statesider



dwel Stadium View



dwel College & Crown

Centurion Overseas Investments Pte. Ltd. holds approximately 28.7% of the total number of units in the Centurion US Student Housing Fund, which acquired all 6 US properties

Student Accommodation



US

- The average financial occupancy for FY 2021 has improved as compared to FY 2020
- With increased and active management, the US PBSA portfolio is expected to continue to see better performance



Looking Ahead



Looking Ahead

- Economic recovery from Covid-19 is underway, international travel restrictions easing, populations of migrant workers and students continue to expand across the geographies where Centurion operates, including Australia
- Operators of niche accommodation such as PBWAs and PBSAs will have to calibrate assets, spaces and operations with present and future pandemic management measures, while caring for the well-being of workers and student residents
- Notwithstanding uncertainties from COVID-19, the Group is confident that demand for quality PBWA and PBSA remains robust in the long term
- The Group will continue to prudently enlarge its portfolio and expand its revenue streams, strategically and where sensible. Continues to explore opportunities for enhancing value for stakeholders



Thank You

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