





Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)
(Co. Reg. No.: 198401088W)

AGM Presentation

28 April 2022





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Key Business Highlights

PBWA

- Commenced management contracts for two Migrant Worker Onboarding Centres in Singapore
- Commenced operations for the Group's third and fourth QBDs in Singapore – all four QBDs have commenced operations
- Completed retrofitting and commenced operations for two acquired blocks at Westlite Pasir Gudang, Malaysia
- Added three new blocks to Westlite Tampoi, Malaysia, adding approximately 2,000 beds



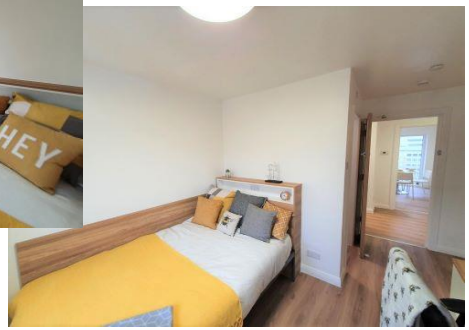




PBSA

- Ceased operations of dwell Selegie in early June after declining the option for the third and final 2-year lease extension
- Completed AEI of dwell MSV and dwell MSV South in the UK





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

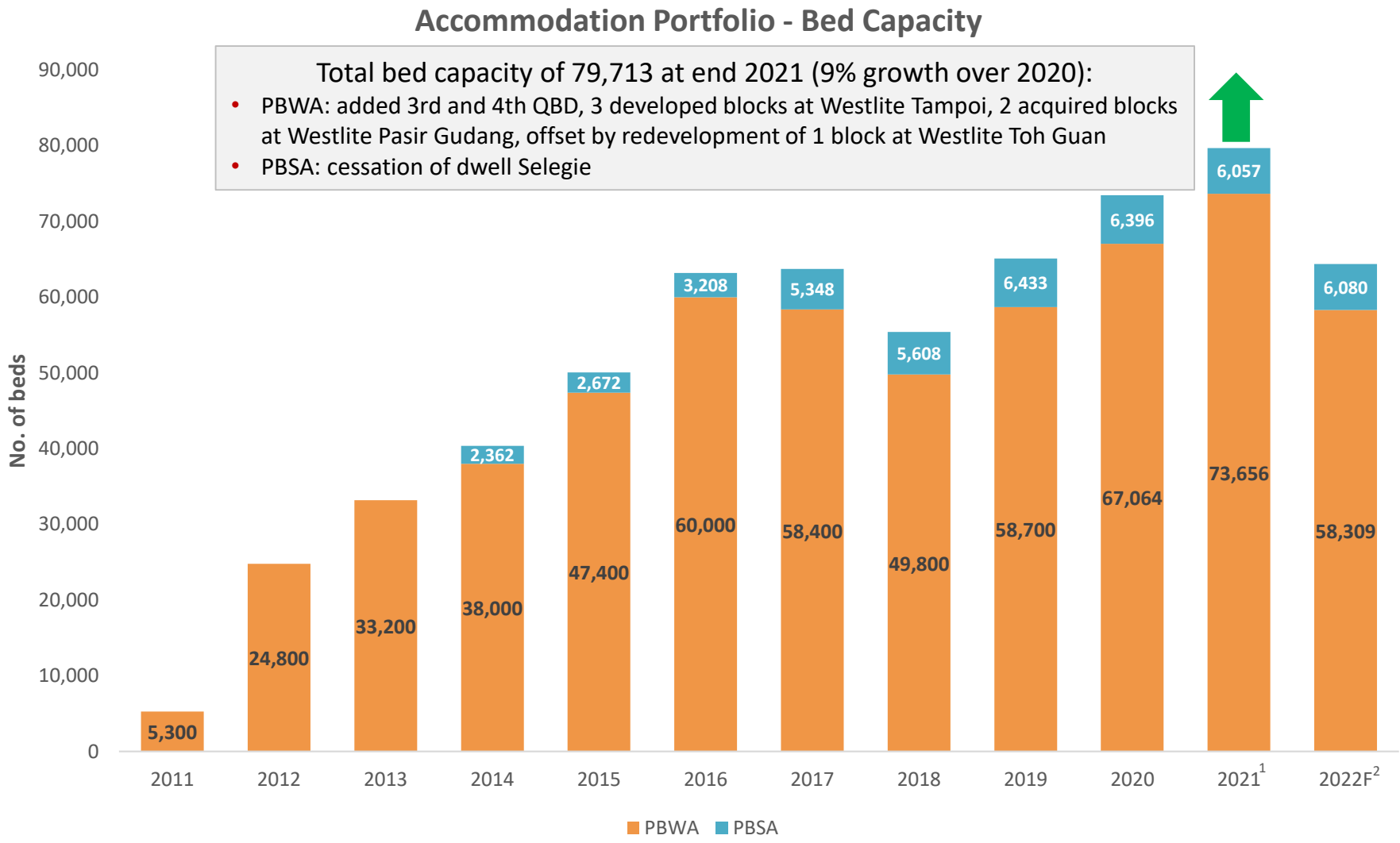
S$53.1m

▲ **12% from S$47.3m in FY 2020**

Note:

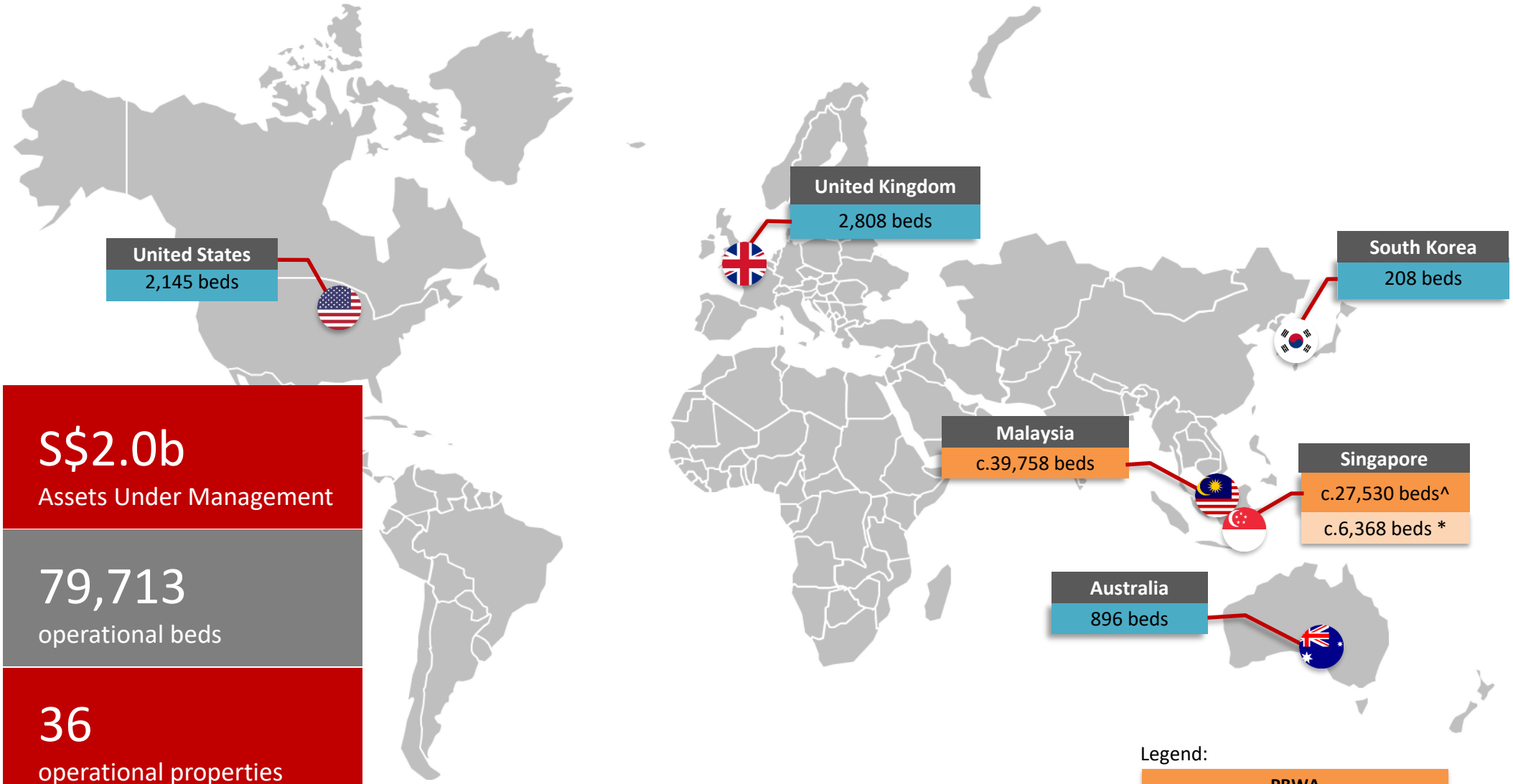
1. NPAT(Equity holders) = Profit attributable to equity holders, which excludes the 49% interest in ASPRI-Westlite Papan.

Accommodation Growth Profile



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



S$2.0b
Assets Under Management

79,713
operational beds

36
operational properties

17 cities in **6** countries

^ Westlite Toh Guan bed capacity has reduced to c 7,330 beds due to redevelopment of 1 block
* c. 6,368 beds for 4 QBDs – c. 1,300 beds Westlite Kranji Way and c. 1,020 beds Westlite Tuas Ave 2 commenced in 2020, c. 3,420 beds Weslite Jalan Tukang commenced in 1H 2021, c 628 beds Westlite Tuas South Boulevard commenced in 2H 2021



Financial Review

Financial Overview

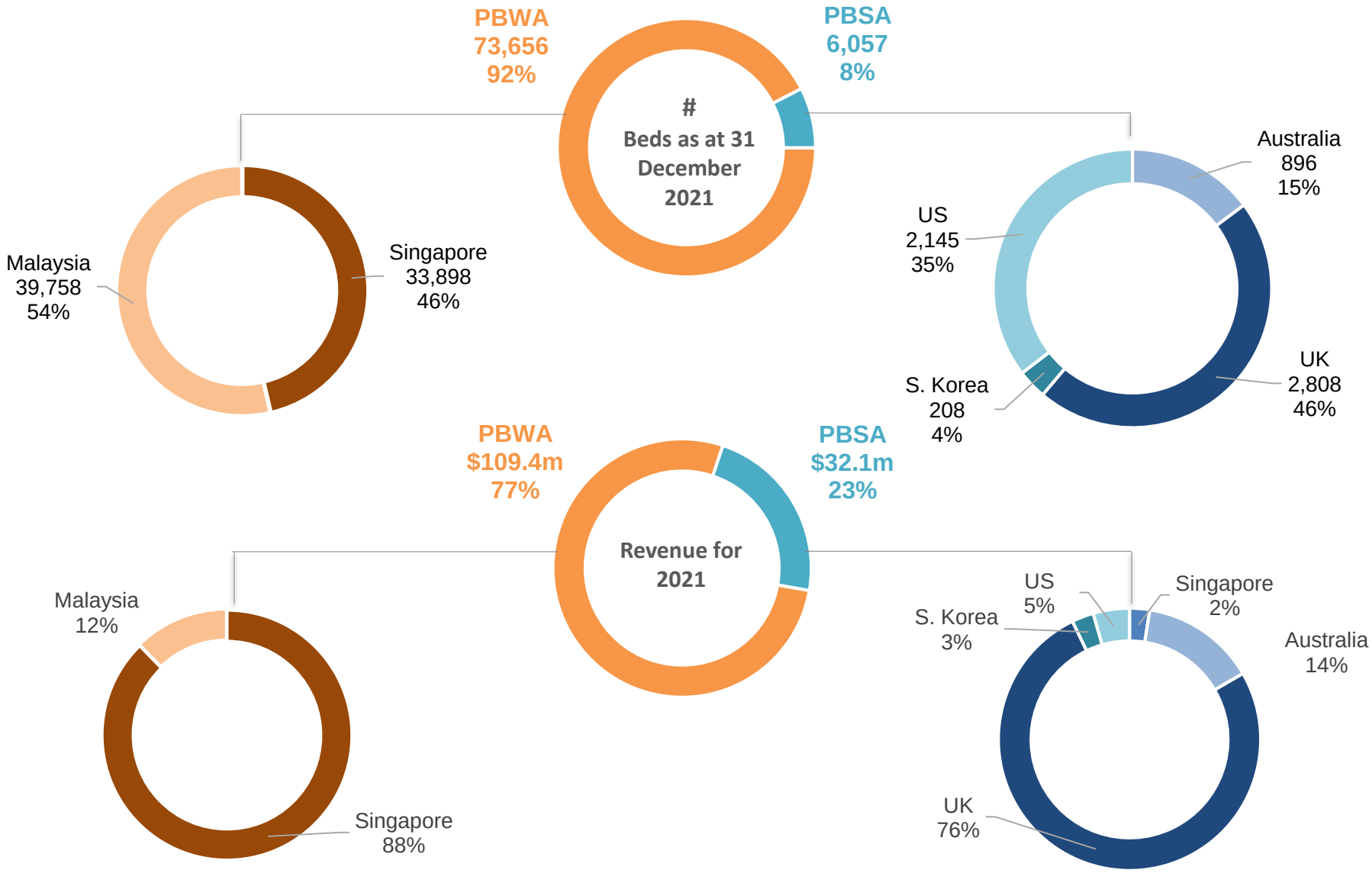
S$'000	2H 2021	2H 2020	Change %	12M 2021	12M 2020	Change %
Revenue	78,290	61,765	▲ 27%	143,017	128,355	▲ 11%
Gross Profit	50,855	41,532	▲ 22%	94,316	89,599	▲ 5%
Gross Profit Margin	65%	67%	▼ -2pp	66%	70%	▼ -4pp
Net Profit	46,699	(5,174)	N/M	55,797	18,711	▲ 198%
Net Profit (Equity holders)[1]	43,944	(3,834)	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

1. Net Profit (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

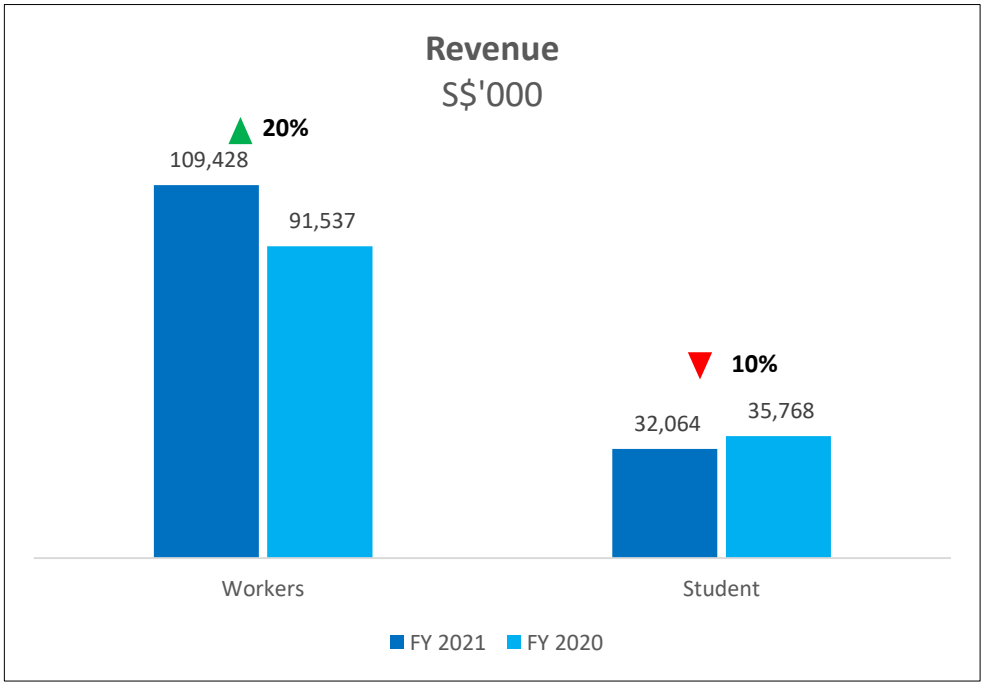
Good diversification at asset class, country and asset levels

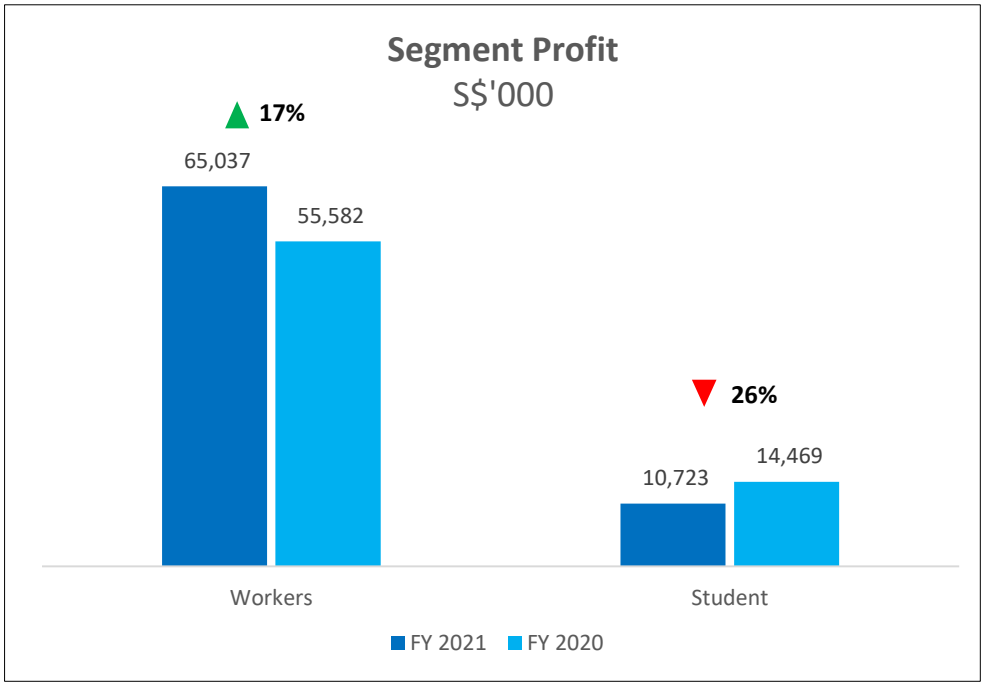


Segment Breakdown

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

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WESTLITE®
ACCOMMODATION

Purpose Built Workers Accommodation

enturion

Workers Accommodation Landscape - SG

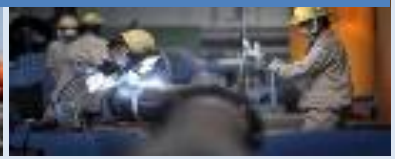
Demand

c. 304k

Work Permit Holders from Construction, Marine Shipyard, Process sectors who require approved dormitory beds

Workers from construction sector





Workers from marine, oil & gas, petrochemical processing sectors





Supply

Subject to impact from de-densification efforts due to COVID-19

c. 206k

Purpose Built Workers Accommodation

c. 112k
Long term PBWA



c. 94k
Short term PBWA



c. 146k

Non Purpose Built Workers Accommodation

c. 100k
Factory Converted Dorm



c. 20k
On-site Dorm



c. 26k
Others



New Supply

Short- to Medium-Term Arrangements

c. 60k beds^

c. 25,000 New Quick Build Dormitories (QBDs)	**c. 25,000** Temporary fitting out of currently unused state properties	c. 10,000 Additional Construction Temporary Quarters (CTQs)

Longer Term Arrangements

up to c. 100k beds^ will be created by the Government to replace short to medium term housing

2 new PBDs in Kranji and Jalan Tukang with at least 12,500 beds to be built in 3 years and managed by a dorm operator#

Government has assessed that these 2 PBDs are enough for now, based on latest estimates of worker numbers and current demand/supply of beds#

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

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 beds[1] 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 2019[2]
- 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 state[3]

[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

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 workforce[1]
- 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 in[2]

[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

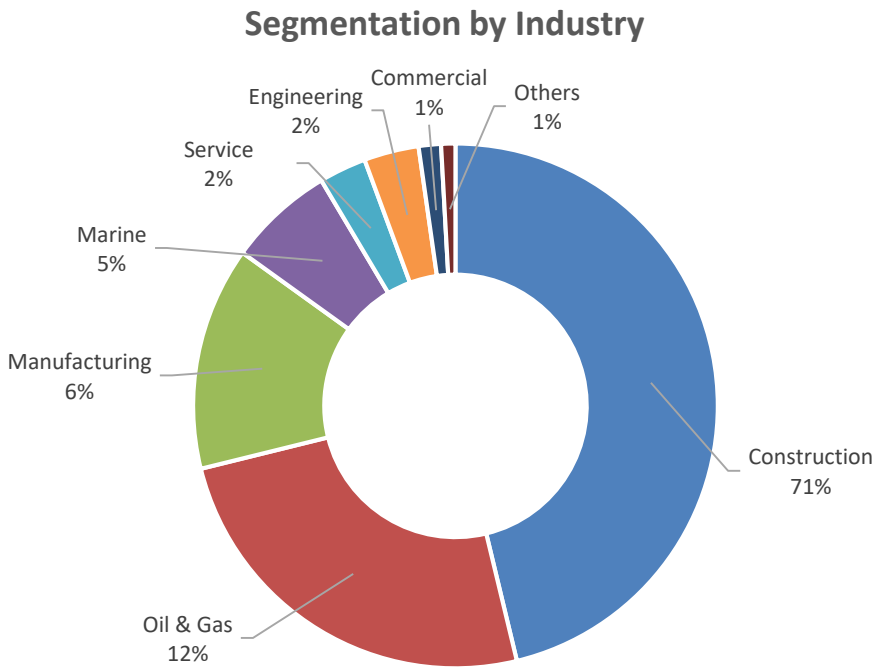
Workers Accommodation

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





dwell Student Living®

Purpose Built Student Accommodation

enturion

Student Accommodation

UK

- Average financial occupancy has improved to 82% for 2H 2021
  - UK expanded recognition of vaccination certificates from a growing number of countries[1] and reduced COVID-19 testing upon arrivals[2]
  - 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 AY2020/21[3]
- 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



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 2022[1]
- 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



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

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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

For any enquiries, please contact:
Investor Relations Manager
Mr George Goh
george.goh@centurioncorp.com.sg
Tel: +65 6745 3288
W: www.centurioncorp.com.sg

Centurion



Responses to questions received from Shareholders prior to AGM (as announced by the Company on 20 April 2022)

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Responses to questions received from Shareholders

1) How long has PricewaterhouseCoopers LLP ("PwC") been acting as the auditor for Centurion? Understand that PwC meets requirements to rotate audit partners-in-charge every 5 years but would the Audit Committee consider a change in auditors after some time?

PwC has been the Company's auditor for approximately 27 years since its listing in 1995. In our engagement with PwC, they have been doing a good job over the years and we believe in maintaining this quality of work. In terms of internal practices, **PwC's partners who manage our account are rotated every five years**, so we do not believe in changing PWC as our auditor for the sake of changing. PwC has a **deep understanding of our business**, continuing this engagement will be beneficial to us from business perspective as well as the **depth and quality of assurance**.

2) Will the on-going Russia-Ukraine crisis impact your PBSA business in the UK in any way, especially for the first half of 2022?

The Russia-Ukraine crisis is still on-going and the situation remains fluid. If the crisis escalates further, there is a possibility that EU students may not want to travel to the UK for their education. However, the proportion of **EU students** in our UK PBSA dorms is small prior to Brexit and has declined further post Brexit and is **not a significant contributor** to our occupancy numbers today.

Students from other regions may also be hesitant about going to UK or Europe during this period but the **students** who are enrolled **for the Academic Year 2021/2022 have already arrived in the UK**. The bookings for Academic Year 2022/2023 are still underway so it is still premature to tell if there will be any impact.



Responses to questions received from SIAS (as announced by the Company on 20 April 2022)

Centurion responses to questions from SIAS

Q1.

As noted in the joint chairmen letter to shareholders, 2021 marked the group's 10th year foray into specialised accommodation. From a single workers accommodation of 5,300 beds in Singapore, the group has grown this stable and resilient business into a portfolio of 36 accommodation assets under management with over 79,700 beds in 17 cities across six countries.

In FY2021, the group delivered a 11% growth in revenue to $143 million despite the continued challenging environment from the pandemic. The higher revenue was due to newly leased and operated assets for worker accommodation in Singapore and Malaysia, including 4 Quick Build Dormitories ("QBDs") as well as a Purpose-Built Dormitory ("PBD") in Malaysia.

The group's net profit in FY2021 was $55.8 million or 198% higher than the $18.7 million recorded in FY2020. Excluding the effects on fair value adjustments, net profit from core business operations attributable to equity holders was $46.5 million in FY2021 compared to $41.3 million in FY2020.

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

(S$'000)	FY2021	FY2020	Change
Revenue	143,017	128,355	11%
Gross Profit	94,316	89,599	5%
Gross Margin	66%	70%	-4pp
Net Profit After Tax	55,797	18,711	198%
Net Profit After Tax Attributable to Equity Holders	52,679	17,171	207%
Net Profit from Core Business Operations attributable to Equity Holders (Non IFRS Measure)	46,486	41,320	13%

(Source: company annual report)

Centurion responses to questions from SIAS

Q1.i Migrant Worker Onboarding Centres ("MWOCs"): Can management help shareholders better understand the significance of the MWOCs?

Migrant Worker Onboarding Centres **("MWOCs") are one-stop centres** that integrate vaccination verification, enhanced medical examination and settling-in programme **that orientates migrant workers arriving in Singapore** for employment readiness, in a safe, timely and cost-efficient manner that benefitting their employers. The centre also has swabbing facilities and provides accommodation that allows migrant workers to serve out their isolation period as stipulated by the health authorities upon arrival into Singapore.

Are these likely to be temporary facilities/services that will be phased out as the government scales back the COVID-19 measures? Has the Ministry of Manpower renamed these as "Onboard centres"?

The Government has stated that **onboarding centres will 'likely become a permanent fixture' in Singapore**[1] as they help Singapore better prepare for a future pandemic while lowering costs for employers. The Ministry of Manpower has, in 4Q 2021, re-branded the MWOCs as 'Onboard' centres.

There **continues to be a shortage of workers, and demand from employers to bring in migrant workers**, as the number of work permit holders has fallen by 16% from 999,000 in December 2019 to 834,000 in June 2021[2] .

[1] Migrant worker onboarding centres will help S'pore prepare for 'Disease X', The Straits TImes, 26 Mar 2021
[2] The Big Read: The COVID-19-induced foreigners' exodus — will they return to Singapore and what if they don't?, CNA, 31 Jan 2022

Centurion responses to questions from SIAS

What will be the impact on revenue and occupancy if MWOCs were phased out?

Westlite Accommodation **manages two such facilities** in collaboration with the Association of Employment Agencies (Singapore), namely Onboard@Punggol and Onboard@Choa Chu Kang, **on one-year management service contracts** since 1Q 2021. Both management service contracts **have been extended by 6 months until September 2022.**

In FY2021, the Group recorded S$8.1 million in revenue from operating the MWOCs (or approximately 5.7% of the Group's FY2021 revenue of S$143.0 million), which includes the provision of food and accommodation-related services to workers that were onboarded through the centres.

Should the government continue to operate Onboard or similar centres beyond the current stated lease period, the Group will continue to seek opportunities to participate in the management of such facilities.

The **occupancy rate of other Westlite Accommodation properties in Singapore are not affected by MWOC operations**.

Q1.ii **QBDs: These refer to the interim dormitories which were developed by the Singapore government at speed during 2020 and 2021 as part of pandemic management measures, with short leases of 4 years or less. Similarly, are these going to be phased out after the initial lease?**

The **four Quick Build Dormitories ("QBD") which Centurion manages are on three-year Master Leases with the option to extend for one additional year**. The first QBD, Westlite Kranji Way, began operations in 3Q 2020, while the fourth, Westlite Tuas South Boulevard commenced in 4Q 2021.

We cannot determine, at this point, if the government will exercise the option to extend the Master Leases for the additional fourth year, or if QBD operations and leases may be extended beyond the currently defined 3+1 year tenure.

However, given that the Government has consistently calibrated the supply of beds to meet demand and also to minimise land wastage, we believe that the industry will adapt accordingly.

Centurion responses to questions from SIAS

What will be the impact on occupancy and revenue if QBDs were phased out?

In FY2021, the Group recorded S$17.3m in revenue from operating the QBDs or approximately 12.1% of the Group's FY2021 revenue of S$143.0 million.

Upon the expiry of the lease of the QBDs, this revenue will no longer recur but we believe, in that instance, demand for beds will be taken up by the PBDs.

> As shown in the summary of events in 2021 (page 3), capacity at the group's new facilities have been reduced significantly. For instance, Westlite Tampoi in Johor, Malaysia opened with approximately 2,000 beds instead of the initial 3,600 beds to comply with Department of Labour of Peninsular Malaysia's requirement after completion of asset enhancement initiative. In the CEO's statement, it was stated that the portfolio bed count in Malaysia has reduced from 39,758 beds to 24,411 as of 1 January 2022.
>
> In Singapore, new specifications for existing worker dormitories are expected to be announced in 2022.

Centurion responses to questions from SIAS

Q1.iii Strategic changes in the landscape: Does management see further changes in the specifications for dormitories in Singapore? With these specification changes, does the board/management expect profit margins to decrease as a result?

The Singapore government has, on 17 September 2021, announced new specifications for future worker dormitories, which will apply to all new dormitories to be developed from 18 Sept 2021, including Purpose Built Dormitories, Factory Converted Dormitories, Construction Temporary Quarters and Temporary Occupation Living Quarters. **However, the extent to which the new specifications for future dormitories will be applied to existing dormitories has not as yet been announced**.

The government has stated that, in specifying how the new requirements are to be applied to existing dormitories, **there would be consideration for practicalities, time and support needed for industry and businesses to make the transition**.

Pending announcement by the Government of the new requirements for existing dormitories with transition times and possible support for dormitory operators and industry, the Group is at this point unable to speculate on the possible impact of anticipated changes.

Centurion responses to questions from SIAS

Q1.iv How does the board/management balance profitability and living standards in the workers accommodations?

Centurion's core business mission is to provide a safe and conducive housing environment, and we strive to meet and go **beyond the housing needs of workers and students**, to also provide for the physical, social and mental wellbeing of our resident communities.

In our Purpose-Built Workers Accommodation ("PBWA"), this begins with **the design and development or refurbishment of our Westlite Accommodation properties**, to **include extensive communal amenities** such as minimarts, gyms, outdoor courts, and indoor recreation rooms, to provide convenience and an active lifestyle to residents. **Within the living areas**, and **prior to COVID-19**, all apartment units in our PBWA in Singapore are **already ensuite with toilets, showers, kitchens and dining areas** within each unit.

Beyond the living quarters, we also believe that physical, social, and mental well-being ride on being able to have an active life beyond work. Our **dedicated Westlite Resi-Life managers support the dormitory managers, with an annual assigned budget**, to ensure that we **proactively organise regular festive, leisure and learning activities through the year**. With the lifting of pandemic restrictions, Centurion brought back the popular Westlite Charity Cricket Tournament in December 2021 albeit on a smaller scale due to safe-distancing requirements, and organised visits to iconic Singapore destinations like Gardens by the Bay. For mental well-being, we **provide counselling and mental wellness workshops and access to help through hotlines**, in collaboration with **NGOs** and their **qualified mental wellness support providers**. In addition, we believe it is also important to help worker residents integrate with the local community in Singapore. In that regard, Centurion would provide language support classes and organise volunteerism activities, for example, participating in Marina Bay Run to raise funds for the Singapore Community Chest, or painting St Luke's Hospital together with NUS student volunteers. Please refer to the pages 61 to 62 of the annual report for the number of events and activities organised for our worker and students residents in 2021.

Centurion recognises that **creating sustainable value for all of our stakeholders remains at the core of our business**, and that **quality purpose-built accommodation and profitability is not a zero-sum situation**. Since 2011, when Centurion entered the Purpose-Built Workers Accommodation business, we have continually enhanced our properties to meet evolving regulatory standards and lead design, development, and management standards of the industry, while continuing to deliver value to our investors and shareholders.

Centurion responses to questions from SIAS

Q1.iv (Cont'd) How does the board/management balance profitability and living standards in the workers accommodations?

For instance, in Malaysia, Centurion has completed the reconfiguration of the Group' purpose-built workers accommodations. Each property is compliant with prevailing regulatory requirements and meets international ethical standards set by organisations such as the International Labour Organisation and Responsible Business Alliance. While the portfolio bed capacity has reduced as a result of the reconfiguration, financial occupancy and rental revenue of the portfolio have remained stable, as the majority of tenancy leases are for entire apartments or housing units ("Unit"), and average rental rates per Unit have held firm.

The COVID-19 pandemic has accentuated the need for specialised accommodation owners and operators to recalibrate assets and spaces for future pandemic management. As we redefine our developments to address new living specifications, we will continually mould our spaces to be more ready for 'dual or multiple use' during a pandemic, including the ability to convert spaces into temporary living quarters or for isolation purposes in the shortest possible time.

New living standards may lead to increased costs for the ecosystem as a whole, including dormitory operators, employers, Government and consumers. Centurion will continue to collaborate closely with the government and healthcare authorities to build resilience against future pandemics, as well as with industry and community partners to build a sustainable business providing for the evolving needs of our residents.

Centurion responses to questions from SIAS

Q1.v Westlite Toh Guan: What is the planned capital expenditure for the redevelopment at Westlite Toh Guan? What was the projected return estimated by management and approved by the board during the approval process?

The **planned capital expenditure for the redevelopment at Westlite Toh Guan is approximately S$17.1 million**.

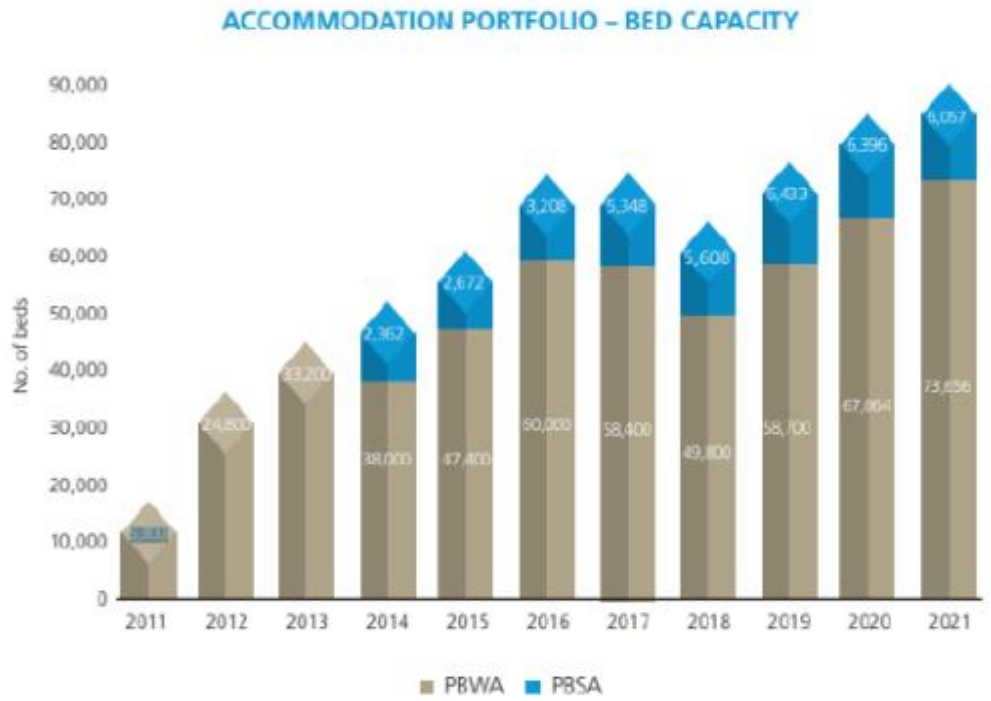
With the redevelopment, the existing lease period at the Property from September 2032 to November 2057 or 25 years shall have a change of use from industrial to workers dormitory. There are no additional worker beds added from the redevelopment but an additional training centre which is intended to benefit migrant workers in the marine sector.

The redevelopment has commenced in August 2021 but is **currently paused, pending announcement of new specifications** by the Government.

Centurion responses to questions from SIAS

Q2.

As shown in Note 39 (page 202 – Segment information), the group has $858 million (61%) and $555 million (39%) of assets in the workers accommodation and student accommodation segments respectively.



(Source: company annual report)

Centurion responses to questions from SIAS

Q2.

In terms of bed capacity, the PBSA segment, which was started in 2014, has experienced more gradual growth.

(i) As shown in the table below, the operating capacity of Malaysia workers accommodation has been reduced by nearly 40% due to new regulations.

EXPECTED GROWTH IN BED CAPACITY IN 2022 MARKETS

	Operating Capacity (approximate no. of beds)	
	FY2021	Expected (2022)
Workers Accommodation		
Singapore	33,898	33,898
Malaysia	39,758	24,411[1]
Student Accommodation		
UK[2]	2,808	2,807
US[3]	2,145	2,145
Australia	896	920
South Korea	208	208
Total	**79,713**	**64,389**

[1] *Post reconfiguration works to comply with Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446") with effect from 1 January 2022*

[2] *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 Hilus*

[3] *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 six US properties*

Centurion responses to questions from SIAS

Q2.i Would government regulations, such as the new specifications for existing PBDs in Singapore and the Workers Minimum Housing and Amenities Act (Amendment) 2019 in Malaysia, reduce the attractiveness of the segment vis-à-vis the student accommodation segment?

In Malaysia, the Amendment to the Workers' Minimum Standards of Housing and Amenities Act **("Act 446") will create greater awareness and demand for quality PBWA**. While Act 446 will also lead to new competitors emerging, the interest and demand from employers far exceeds current and anticipated supply of quality PBWA. As an established first-mover and market leader, Centurion believes **there will be opportunities for further growth** in this market.

In Singapore, details for new specifications applicable to existing dormitories are expected to be announced, with an adjustment period and support extended to dormitory operators and the industry to transit to the new specifications. In the long-term, we expect that as the government will continue to balance the supply of dormitory beds with the migrant worker population, the **demand and supply dynamics in Singapore will be stable, and the PBWA segment will remain attractive**.

In the UK, the PBSA segment has experienced marked recovery in demand, which is expected to continue into the upcoming academic year.

Both the PBWA and PBSA segments continue to present opportunities across various geographies where Centurion currently operates, and the **Group will selectively pursue opportunities across the two business segments** for diversification and resilience.

Centurion responses to questions from SIAS

Q2.ii As such, can the board elaborate further on its capital allocation strategy for the two segments? In particular, what are the long-term targets (by bed capacity and by investment amount) for each segment at the portfolio level?

Centurion's strategy of diversification into two specialised accommodation segments across six country markets has enabled the Group to deliver continued growth in portfolio capacity and revenue in the face of pandemic headwinds.

Growth opportunities may arise across its current or new country markets, and the **Group will remain nimble to explore and seize such opportunities as they arise**.

The Board and Company continue to **explore investment, divestment as well as asset-light growth opportunities** across its markets, **towards an equal balance of assets** in the two segments.

Centurion responses to questions from SIAS

Q3.

> As noted in the corporate governance report, the company has outsourced its internal audit function to BDO LLP.
>
> The internal auditor is provided with unfettered access to the company's properties, documents, information, records and personnel (Provision 10.4 of 2018 Code) and performs their reviews in accordance with the BDO Global Internal Audit Methodology which is consistent with the International Standards for the Professional Practices of Internal Auditing established by the Institute of Internal Auditors

Q3.i How was the scope of the internal audit determined?

The scope of the internal audits was developed by the **internal auditors in consultation with management and the Audit Committee**. The internal audit planning process is further outlined in Point (iii).

Q3.ii What was the scope of the internal audit in FY2021?

The scope of the internal audits for FY2021 covered selected **key financial and operational processes** of the worker dormitories and student dormitories in Singapore, Malaysia, UK and Australia. As part of the scope, the internal auditor also reviews Risk Control checklists prepared for the respective business units to highlight any potential gaps over **risk management procedures and requirements**.

Centurion responses to questions from SIAS

Q3.iii Can the audit committee clarify if the internal audit covers all of the group's foreign entities and the material associated companies?

The internal audit plan has been designed to **cover all key business operations of the Group** including the foreign business units on a **cyclical basis**. The plan is derived mainly through financial analysis of contributions from business entities and other relevant risk indicators. **Associate companies** are only subject to internal audit review **if their contributions are material** to the Group or if separately requested.

Q3.iv For the benefit of shareholders and investors, what are the key findings of the internal auditor in FY2021?

Key findings by internal auditors with management responses are presented to and discussed with the Audit Committee who will submit its findings and recommendations to the Board. The recommendations also serve as further inputs for the next cycle of internal audit and enterprise risk management reviews. For the Group's FY2021 internal audit, **the Board has not identified any material weakness of controls and risk management systems based on the findings by the internal auditors**.







Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)
(Co. Reg. No.: 198401088W)

AGM Presentation

28 April 2022



