Centurion Corporation Limited ("Centurion" or the "Company")
Incorporated in the Republic of Singapore with limited liability
Company Registration No. 198401088W

Annual General Meeting held on 28 April 2025 ("AGM")
Summary of Questions & Answers

[The following questions were submitted by shareholders before the AGM, and addressed during the AGM.]

Question 1

Chairmen mentioned about exploring REIT, any update on this?

Company's response:

Explorations and necessary diligences are still underway, and we are thoroughly assessing all possibilities. The Board and Management of Centurion will share timely updates once details are more concrete.

Question 2

Could you briefly share your thinking around a possible REIT? Why are you considering that? Is it just for capital recycling? As you can see, the market for REITs hasn't been great, and the shareholder returns have been quite poor because of the inherent model of diluting with management fees paid by share issuance.

Company's response:

The REIT which Centurion is exploring would allow the Company to recycle capital and supports our long-term strategy to become more asset-light and grow our fee-based income.

While we acknowledge that the REIT market generally has faced challenges recently, particularly with higher interest rates impacting asset valuations and shareholder returns, there are also REITs that have performed well despite headwinds.

At the same time, we would also highlight that Centurion Corporation Ltd is focused on Specialised Accommodation. Our Purpose-Built Worker Accommodation ("PBWA") and Purpose-Built Student Accommodation ("PBSA") properties are differentiated property asset classes, enjoying favourable fundamentals and strong growth outlook underpinned by positive demand-supply dynamics, which has delivered stable, resilient performance despite current macro-economic conditions.

A REIT comprising PBWA and PBSA would offer investors an alternative to more traditional property asset classes, or the option to add a stable, resilient asset class to a diversified property portfolio.

Question 3

In terms of the recent new guidelines on dorms by MOM, how is that affecting your margins, and how are you controlling the costs there? For example, do you foresee more costs on the renovation end to comply with new rules?

Company's response:

Centurion currently owns and operates six Purpose-Built Dormitories ("PBD"), including the newly developed Westlite Ubi, and four Quick Build Dormitories ("QBD").

Westlite Ubi, completed and operational in December 2024, is the first newly-developed PBD in the market to meet New Dormitory Standards ("NDS"), ahead of the 2040 compliance deadline.

The four QBDs are also already fully compliant with NDS, and five other PBDs already meet many of requirements in the Interim Standards ("IDS") and NDS, such as en-suite toilets and showers, which reduces the extent of retrofitting required.

Nonetheless, some retrofitting will be required for the 5 PBDs during the Dormitory Transition Scheme period between 2027 and 2030.

To minimise disruption to our operating bed capacity and Singapore PBWA revenue streams, the Group has commenced redevelopments at Westlite Toh Guan and Westlite Mandai to add new blocks of approx. 1,764 and 3,696 beds, with expected completion by 2025 and 2026 respectively, ahead of the DTS starting 2027.

Question 4

There is a holding company in Indonesia. Are we expanding into Indonesia next (after China)?

Company's response:

The Group owns a piece of land in Indonesia but there are no plans to develop it at this point of time. We continue to monitor the market to determine if there is an opportunity to expand our operations into that market.

Question 5

Malaysian subsidiaries in Johor. Are these in the Johor-SEZ? Can we benefit from the tax relief? Are we exploring going into Johor-SEZ?

Company's response:

Centurion currently operates 6 PBWA in Johor and is well-positioned to support possible growth in demand for migrant worker housing arising from developments in the JS-SEZ. We also own a plot of land in Nusajaya, Iskandar, and are evaluating the development of a new 7,000-bed PBWA there.

While Centurion's subsidiaries in Johor do not meet current criteria for JS-SEZ associated tax reliefs, we will continue to monitor and assess opportunities as plans for the Zone develop.

Question 6

The group has also entered the Chinese market. Whilst I commend the desire to do so, the property market appears to have been weaker. How would it maintain healthy margins in such a challenging market?

Company's response:

The group's entry into the emerging Hong Kong SAR and Xiamen, China markets has been undertaken with a cautious, measured approach.

In Hong Kong, we are in the early exploratory stages with both PBWA and PBSA assets. This allows us time to understand market dynamics and assess longer term growth opportunities.

We recognise the challenging real estate environment in China which is why we've taken on an asset-light model, through a joint venture and master leases, partnering with an experienced local operator with over 16 years of expertise in the BTR space.

With the current volatile and uncertain conditions around trade tariffs, we will monitor closely before taking further steps.

Question 7

The company had expanded to China, in addition to the existing ones in Australia & UK. The latest round of tariff by the US against Australia, UK and China is as high as 37%, Singapore and Malaysia 10% - is there any indirect impact on our revenue from these locations?

Company's response:

Centurion's core business in Specialised Accommodation are not directly reliant on international exports and trade, so we anticipate little near-term impact on occupancies and earnings.

In the PBWA segment, the Group has a diversified customer base, with more than 2,000 customers across Construction, Oil & Gas, Marine, Process and Manufacturing industries. As such, we are less impacted by economic fluctuations affecting any single industry. In Singapore, a strong infrastructural construction pipeline is expected to drive continued demand for PBWA beds.

In the PBSA segment, education sector activity and derived demand for PBSA beds is seen to be counter-cyclical to economic downturns. As such, occupancies are expected to remain healthy in the Group's UK and Australia properties. For the US, the Centurion US Student Housing Fund has come to term in November 2024 and the Fund is in the process of disposing its remaining assets.

In the mid to long term, inflation of costs may impact industries and economies more broadly. The Group will closely monitor events and possible economic effects in the countries where we operate.

Question 8

As of FY2024 - we are left with Series 006 (rate - 6.5%, after 28 May - 9%)? What is the outstanding balance of Series 006? Are we going to redeem them before 28 May when the rates shoot to 9% after 28 May?

Company's response:

As of 31 March 2025, the outstanding principal amount of Series 006 notes is S$10.25 million.

The Company intends to exercise its option to redeem the outstanding Series 006 notes on the interest payment date falling on 28 May 2025. Notice of the early redemption will be given by the Company to noteholders no later than 6 May 2025.

Post-meeting Note
Following the AGM, the Company has on 29 April 2025 announced on SGX-Net and on its website that it intends to redeem all of the outstanding notes on 28 May 2025. (Reference: Notice of Redemption)

Question 9

Series 007 is issued in January 2025 at rate 5.25%. Why do we still tap on Notes which have a higher rate than the average Bank Borrowing rate of 4.2%; and interest rate is expected to decline in 2025 with 4 rate cuts expected in US rates this year?

Company's response:

The Series 007 notes issued in January 2025 have a coupon rate of 5.25% pa, which is reduced from the Series 006 notes at 6.5% pa.

Centurion maintains diversified and balanced sources of debt funding, which includes unsecured debt from our Mid-Term Notes as well as bank loans secured against our properties.

Question 10

Worker accommodation profit increased by 32%, and student accommodation profit increased by 35%. Are there plans for increasing more student accommodation segment as a diversification strategy? Is it more economical to run student accommodation vs worker accommodation?

Company's response:

The Group actively looks for opportunities to expand our student accommodation segment as part of Centurion's core diversification strategy, to balance these two segments as twin engines of growth. We will also seize opportunities to enlarge our PBWA portfolio, when available.

While PBWA delivers a higher segment margin (67% in FY 2024) and PBSA delivers a lower but still strong segment margin (50% in FY 2024), both segments contribute to our stable and resilient portfolio as:

- PBWA assets in Singapore generally have shorter lease tenures, while PBSA assets are mainly freehold or long leasehold.
- Also, the education sector and PBSA demand is seen to be counter-cyclical against economic downturns

Question 11

Student accommodation share of losses from associates had increased from 1.9M to 6.8M. Why are the associates making losses?

Company's response:

The share of losses from associates includes the net gain/loss on fair value of investment properties held by the associates. The share of losses from associates in the PBSA segment increased in FY 2024, mainly due to a decline in property valuations in the US assets.

These assets are held by the Centurion US Student Housing Fund, which has come to term in November 2024. The Fund is currently in the process of disposing of its remaining 3 assets.

Question 12

Is it more competitive in the student accommodation market vs the worker accommodation market?

Company's response:

Each segment and market has different competitive dynamics.

In Singapore PBWA, competitors are primarily local companies, including a number of PBD operators and also a fragmented, cluttered pool of FCD operators. In Malaysia, PBWA is an emerging asset class which is attracting new entrants.

Whereas in the PBSA segment, there are larger and more established global and local players in the countries and cities where we operate. While competitive pressures have increased with headwinds from international student population and visa controls, Centurion focuses on active management, operational and marketing capabilities to deliver continued strong occupancies and financial performance.

Question 13

In view of the record year of performance, why is there no one-off special dividend? Is it because much of the record profit is from fair value gain and therefore need to conserve cash? Or Board is planning on unlocking these paper gain through REIT and distribute dividend in specie instead of one-off special dividend in cash?

Company's response:

The Group continues to balance returns to shareholders with reinvestment in growth to deliver sustainable long-term value to our stakeholders.

With the strong results, the Board has proposed a final dividend of 2.0 Singapore cents per share, bringing total dividends in respect of FY 2024 to 3.5 Singapore cents per share, which is 40% higher than the 2.5 Singapore cents distributed in respect of FY 2023.

In our exploration of a possible REIT, the Company is considering effecting a Dividend in Specie of some of the units in the proposed REIT held by the Company to shareholders.

Appendix 2

[The following questions were submitted by Securities Investor Association (Singapore) before the AGM, and addressed during the AGM.]

Question 14

The group's new 1,650-bed purpose-built worker accommodation (PBWA), Westlite Ubi, is its first dormitory fully compliant with the upcoming New Dormitory Standards (NDS) mandated by regulatory authorities in Singapore. The facility became operational in December 2024.

(i) After approximately five months of operations, have occupancy and rates met management's expectations? How does actual performance compare to pre-opening forecasts?

(ii) Do fully NDS-compliant dormitories command a premium in the market? Are customers demonstrating price sensitivity and reluctance to commit, especially if transitional dormitories are still available?

(iii) How has the experience with the fully NDS-compliant dormitory shaped the group's overall strategy, particularly its approach to new PBWA development and its retrofitting strategy for existing assets under the Dormitory Transition Scheme (DTS)?

Company's response:

(i) Westlite Ubi was completed in November 2024, and its FEDA license was secured by December. The property has achieved near full occupancy by April 2025, ahead of expectations. Rental rates for Westlite Ubi are in line with expectations.

(ii) NDS-compliant dormitories, such as the Group's four QBDs and the new Westlie Ubi PBD, command higher rental rates due to their higher specifications. However, there remains strong demand for both NDS-compliant dormitories and those pending retrofitting.

The Group holds a spectrum of products in our portfolio, which includes NDS-compliant dormitories and transitional dormitories. In FY2024, both our QBD and PBD occupancy rates were 99%.

(iii) The Group is currently executing our transition strategy for the DTS and NDS, to maintain a healthy pipeline of new and redeveloped PBWA beds to preserve overall capacity and minimise disruption as we retrofit our transitional assets.

The new Westlite Ubi is one of the first PBD in the market to fully comply with NDS. Additionally, new blocks under development at Westlite Toh Guan and Westlite Mandai will deliver new NDS-compliant bed capacity ahead of 2027, which may serve as swing sites to facilitate phased retrofitting works in existing blocks. Five other PBDs in the Group's portfolio already meet several key NDS specifications, such as en-suite toilets and showers in each unit.

The Group continues to innovate our PBWA design as well as management systems and processes to deliver a superior experience to both our employer-customers and migrant worker-residents. Beyond compliance to evolving standards, enhancements in our new properties spread across spatial and interior design for a better living experience, technology solutions for resident safety and convenience, as well as environmental sustainability.

Question 15

Would the board/management provide greater clarity on the following operational and financial matters? Specifically:

(i) Market entry - Hong Kong: In 2024, the group entered Hong Kong's accommodation market with two student housing assets—dwell Ho Man Tin and dwell Prince Edward—with a combined capacity of 155 beds. This was followed by the launch of Westlite Sheung Shui, a 539-bed worker accommodation facility. Can management provide insight into the market fundamentals and regulatory environment of the purpose-built student accommodation (PBSA) and purpose-built worker accommodation (PBWA) sectors in Hong Kong? Are these asset classes well established, or is Centurion an early mover in a nascent market? How do Hong Kong's demographics, rental dynamics, and planning policies support long-term growth in PBSA and PBWA?

(ii) Build-to-rent (BTR) - Xiamen: The group also marked its entry into the BTR segment in mainland China, beginning with Centurion-Cityhome Gaolin, a managed asset in Xiamen with ~1,000 apartments. What level of commercial due diligence was undertaken prior to entering the China BTR market, and specifically Xiamen? What additional oversight did the board provide given that the group would be entering a new market (mainland China) under a new operational model (BTR)?

(iii) Sale and leaseback: The group completed the sale of Westlite Bukit Minyak and Westlite Tampoi, entering into 15-year lease agreements with Malaysia's public sector pension fund, Kumpulan Wang Persaraan (Diperbadankan) (KWAP). These milestone agreements enabled the group to be more capital-efficient, part of the group's effort to achieve greater value creation. How does the board assess which assets are suitable for sale-and-leaseback or were the assets determined by KWAP? What are the long-term trade-offs of this model? Does the sale-and-leaseback approach compete with or complement the possible establishment of a real estate investment trust (REIT)?

Company's response:

(i) Centurion is an early mover in Hong Kong's nascent PBSA and PBWA sectors.

For PBSA, the government has implemented policies to increase non-local student quotas, but there is a shortfall of beds to meet the growing number of non-local students, with an estimated deficit of more than 7,000 beds by 2027/2028. Institutional providers of quality PBSA are limited.

The PBWA segment is less developed, with limited options currently available for housing foreign workers in the blue collar and mid-levels for the long-term. Although recent policy changes have eased restrictions on foreign worker employment, the structural supply gap remains unresolved.

The Group has taken a cautious approach in exploring this emerging market, with master leases for smaller assets secured through a joint venture company. This allows us time to understand market dynamics and assess longer term growth opportunities.

(ii) Comprehensive study and due diligences are conducted prior to entering any new markets. For the BTR segment in Xiamen, these include:

- an independent business and market study conducted by a third-party property consultancy
- an independent study and assessment of the identified local partner
- an independent review of the assets
- tax, legal and financial due diligence

Strategic investment initiatives are developed by the Group's Executive Committee and reviewed and approved by the Board.

In the exploration of the China market and new BTR asset class, the Group has adopted a cautious asset-light approach through a joint venture and master leases, partnering with an experienced local operator with over 16 years of expertise in the BTR space.

(iii) Generally, the Group would conduct a sale-and-leaseback only when an asset's capacity and performance is optimized and stabilized. These criteria also align with investors' interests.

The long-term benefits include reducing the Company's leverage and reallocating capital to further growth, while still being able to reap benefits from the property. This enables us to enlarge our AUM and revenue streams via asset-light means without weighing down our balance sheet.

The sale-and-leaseback model is complementary to the possible establishment of a REIT, in our strategy of asset light AUM growth.

Question 16

In the letter to shareholders, the joint chairmen disclosed that the company is actively exploring value-unlocking strategies, including the potential establishment of a REIT comprising selected PBWA and purpose-built student accommodation (PBSA) assets.

(i) By utilising a REIT as a more capital-efficient platform, what are the expected benefits from a cost of capital, liquidity, and valuation uplift perspective?

(ii) How would assets be selected for injection into the REIT? What key criteria, such as occupancy rates, yield stability, geographic diversification, and lease maturity profiles, will be used to select assets for the REIT?

(iii) Assuming the group proceeds with listing a REIT, is SGX-ST the preferred listing venue? What other exchanges were considered?

(iv) What key learnings did the board derive from the six-year dual listing on HKEX, particularly with regard to valuation, investor appetite, and market engagement? How are these lessons informing current efforts around value realisation and strategic capital structuring?

Company's response:

(i) REITs generally have a lower cost of equity compared to traditional real estate investments due to their ability to attract a broad base of investors, as well as more favourable financing terms which can reduce overall capital costs.

REITs are also typically more liquid as they can attract more investors and improve the marketability of the underlying assets. Furthermore, a REIT would allow us to access capital markets more efficiently, raising funds through equity offerings or debt issuance.

REITs can benefit from higher market valuations due to their transparency, regulatory oversight, and the stability of their income-generating real estate assets.

(ii) Assets being considered for injection into the REIT include both worker accommodation and student accommodation. Generally, REIT investors would look for the following factors, in assessing the asset portfolio of a REIT:

- Optimized assets with good lease tenures
- Stable occupancy and property income, with strong market fundamentals
- Geographic or asset class diversification

(iii) SGX-ST is the preferred listing venue for Centurion, being the largest and most mature REIT market in Asia (ex-Japan) with a total market capitalisation of around S$100 billion.

(iv) The company voluntarily delisted from the Main Board of the Hong Kong Stock Exchange (HKEX) in November 2023.

During its time on the HKEX, Centurion saw limited trading volume, which affected the listing's effectiveness for price discovery and liquidity. There were also no suitable windows for secondary equity fundraising in Hong Kong.

Whilst on SGX-ST, Centurion has been able to attract higher liquidity and trading volume as well as higher valuations. With MAS establishing the Equities Market Review Group and a $5 billion scheme to boost SGX-listed stocks in a bid to revive the Singapore market, we are optimistic that we will see stronger liquidity and valuations moving forward.

[The following questions were raised by shareholders and addressed by the Board and CEO during the course of the AGM.]

Question 17

What is the breakdown of properties that are owned by Centurion and those that are managed on behalf of 3rd parties.

Company's response:

We have 4 properties that are managed on behalf of 3rd parties, including 3 properties for the private fund in the US, and 1 property for a second private fund in the UK, where we earn management fees. We also have 3 joint ventures in Singapore, specifically Westlite Mandai (45% owned), Westlite Ubi (51% owned), and ASPRI-Westlite Papan (51% owned), where we earn a management fee on top of rental income.

We also have master leases across several markets like in Malaysia, Hong Kong SAR, China and Xiamen, China, which is in line with our asset-light strategy.

Question 18

What makes the margins for student accommodation better than worker accommodations?

Company's response:

Margins for worker accommodations are better than student accommodations, due to economies of scale. The largest student accommodation in our portfolio has only 982 beds, whereas for worker accommodations in Singapore, the smallest Purpose-Built Dormitory has around 1,650 beds, with the largest Purpose-Built Dormitory around 7,900 beds.

In general, worker accommodations generate margins that are superior to student accommodations, with the difference ranging around 20 percentage points.

Question 19

Why did you choose to implement the new BTR model in the China market and will you explore this model in other markets?

Company's response:

The BTR model engages a different demographic of residents – they are young, working professionals, working predominantly white-collar jobs. This in addition to entering a new market, we chose a cautious approach via a joint venture.

BTR model is a very common model, it exists in many markets around the world. We chose to enter this market due to the opportunity it presented. The real estate market in China was not performing well, so we decided to enter through a master lease agreement. Property owners usually look for seasoned and experienced operators like us to manage the properties.

Question 20

With regards to your capital allocation strategy, I noticed that you have moved into a new market this year. Can I understand the thinking behind how you decide which investments to make and your hurdle rates? Why did Centurion decide to pass on the worker properties that came up in Singapore?

Company's response:

We are unable to share hurdle rates as they are competitive and sensitive.

We did not pass on any worker accommodation properties in Singapore, we were simply outbid for the recent tenders.

Question 21

With PBWA revenue at 76% of total revenue, are you looking at a different revenue mix moving forward?

Company's response:

We have always aimed for a 50/50 revenue split between worker and student accommodation in our portfolio. Despite worker accommodation having better margins, student accommodation is counter-cyclical and more stable. This is why we aim to strike a balance between the different property types in our portfolio. This is in line with our diversification strategy as we entered the BTR market in Xiamen.

Question 22

How are the Hong Kong and China properties performing?

Company's response:

Hong Kong PBSA will require more time to ramp up as the academic year only begins in September. However, we are positive about the ramp up as the demand dynamic continues to be strong in Hong Kong.

For Xiamen, we signed the master lease at the end of 2024. There is a leasing cycle in China mainly due to the Chinese New Year period. Hence, during that period we outsourced the leasing to a 3rd party to achieve close to 100% occupancy. During the period of March to April, we are averaging around 40% occupancy rates.

Question 23

With the asset light strategy, would you eventually pivot to solely operating and managing 3rd party properties rather than owning them?

Company's response:

We are clear on our plan to be asset-light, which includes the sale-and-leaseback strategy. This strategy requires us to build and develop the assets before sourcing for investors or selling it to the REIT. Afterwards, we will lease it back and continue to manage and operate these properties.

Following this strategy, we can continue to grow at a much faster rate as compared to owning all the properties.

Question 24

You have 4 QBDs in SG, and they account for around 20% of your total PBWA. You mentioned that they have shorter lease terms. What are your plans when the leases expire?

Company's response:

This is dependent on the government. When it was first launched, QBDs were meant to meet the big short-term shortages faced by the market during the COVID pandemic. As we move forward, the lease for the QBDs will expire but we remain positive as there are new tenders every year to replenish the beds lost.

Question 25

Would you consider paying scrip dividends instead of cash dividends considering the Company is in its growth stage and requires capital for expansion? I would personally prefer that you pay out scrip dividends.

Company's response:

We will take that into consideration.

Question 26

Dividends versus share buybacks. How much cash do you intend to keep for new investments and acquisitions? Will you be financing mainly with debt rather than cash?

Company's response:

We have consistently increased our dividend payout over the years. This year, our dividend is up by 40% compared to the previous year, in line with our profit growth.

The level of cash we retain is determined by our business outlook. At present, we have a robust pipeline of projects, and we are concurrently focused on reducing our debt — a strategy reflected by our decreasing debt ratio. We aim to strike the right balance between returning capital to shareholders and maintaining financial flexibility. Depending on our needs, we may allocate cash either to shareholder returns or to debt repayment. At this stage, we are comfortable with the balance we have achieved. Should our performance remain strong, we intend to continue rewarding our shareholders accordingly.