



Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)

(Co. Reg. No.: 198401088W)

1H 2021 Financial Results

10 August 2021



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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 **16** 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*, 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

- Incorporated in Singapore to provide audio cassette tape duplication services

2011

- 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



2012

2014

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



2015

2016

- 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)



2017

2018

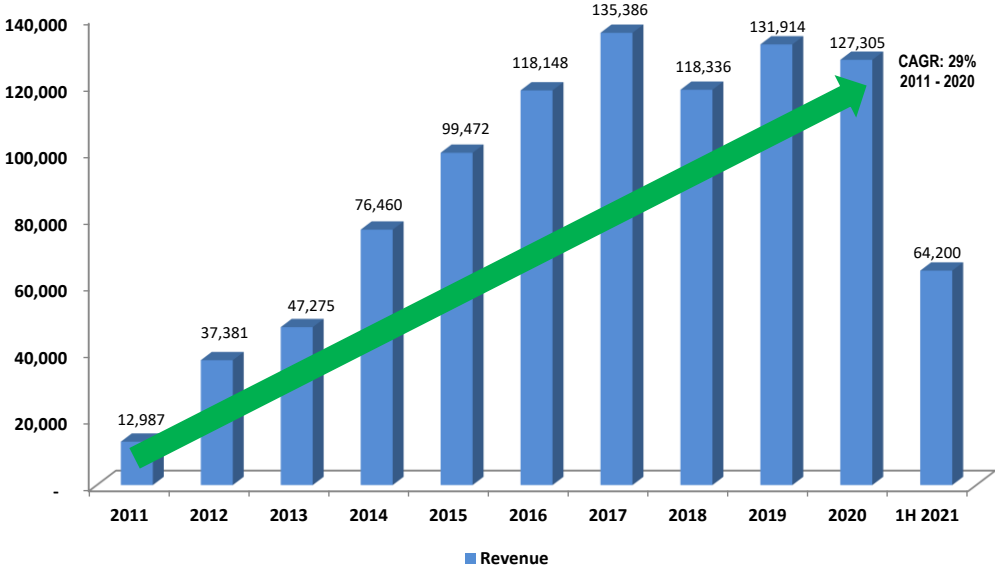
- Completed development of Westlite Bukit Minyak
- Secured 10+5 year lease to operate Westlite Juniper
- Acquired 177-bed Archer House, Nottingham, UK

2019

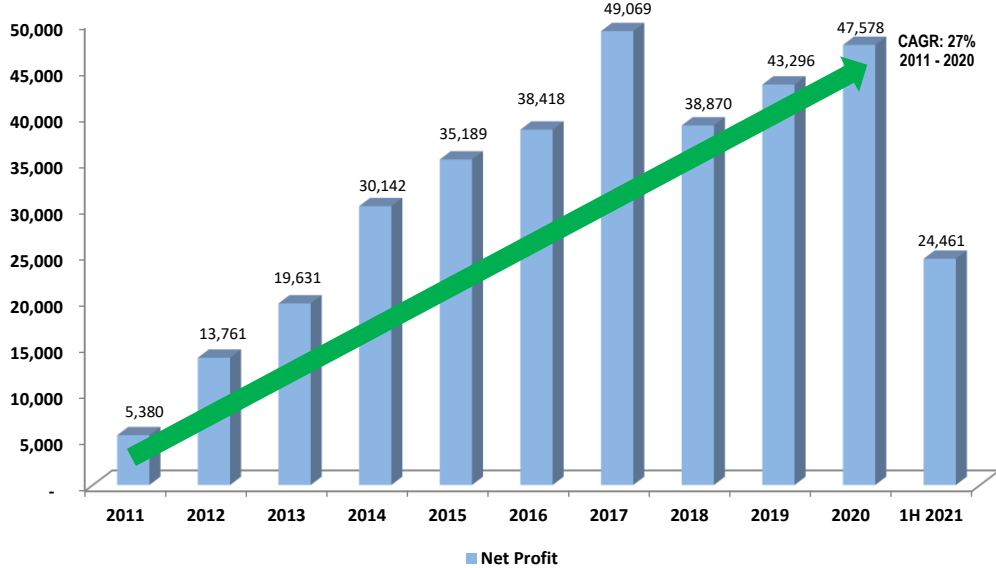
2020

Financial Growth of Accommodation Business

Accommodation - Revenue¹ (S\$'000)



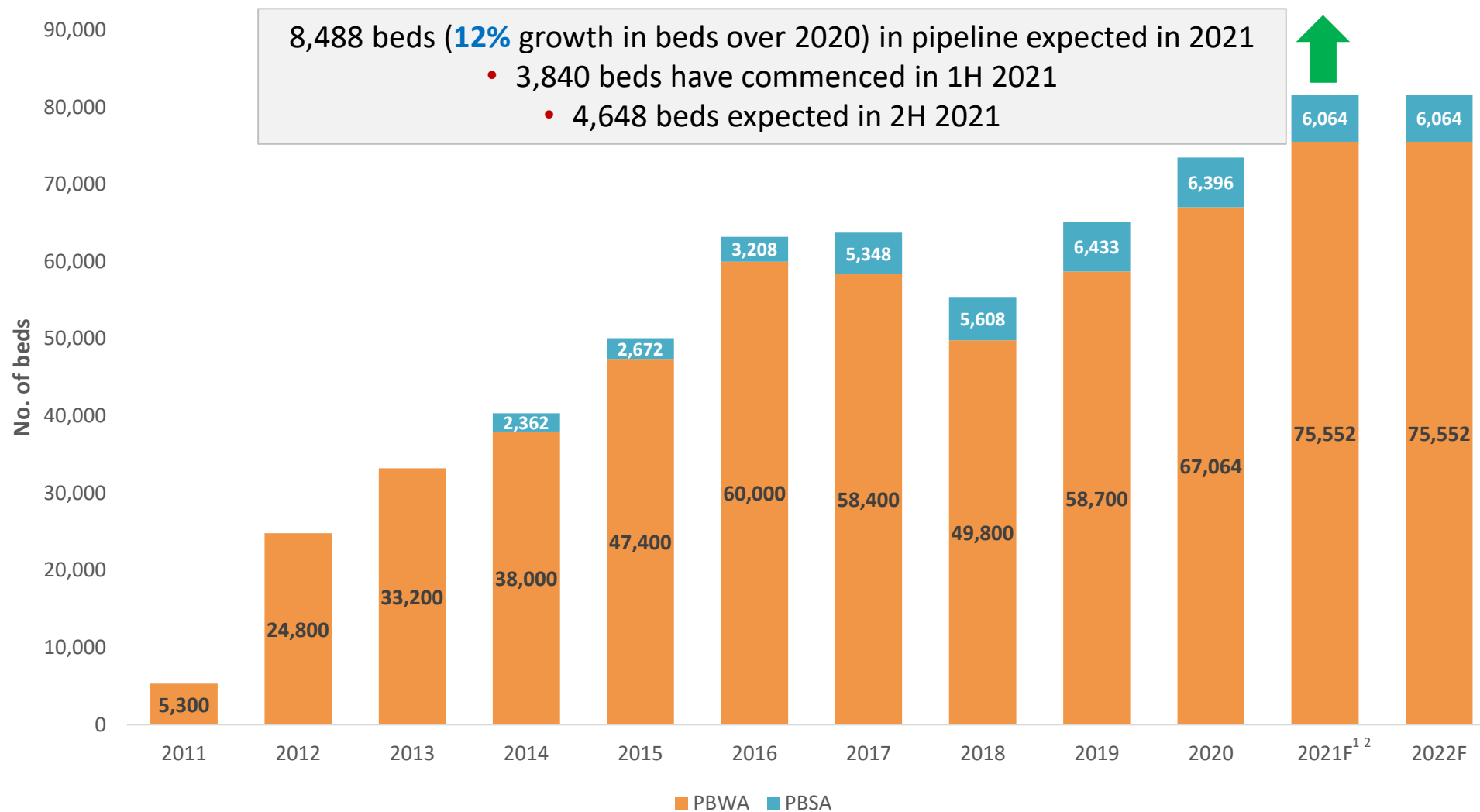
Accommodation - Net Profit¹ (S\$'000)



Note:
1. From core business operations

Accommodation Growth Profile

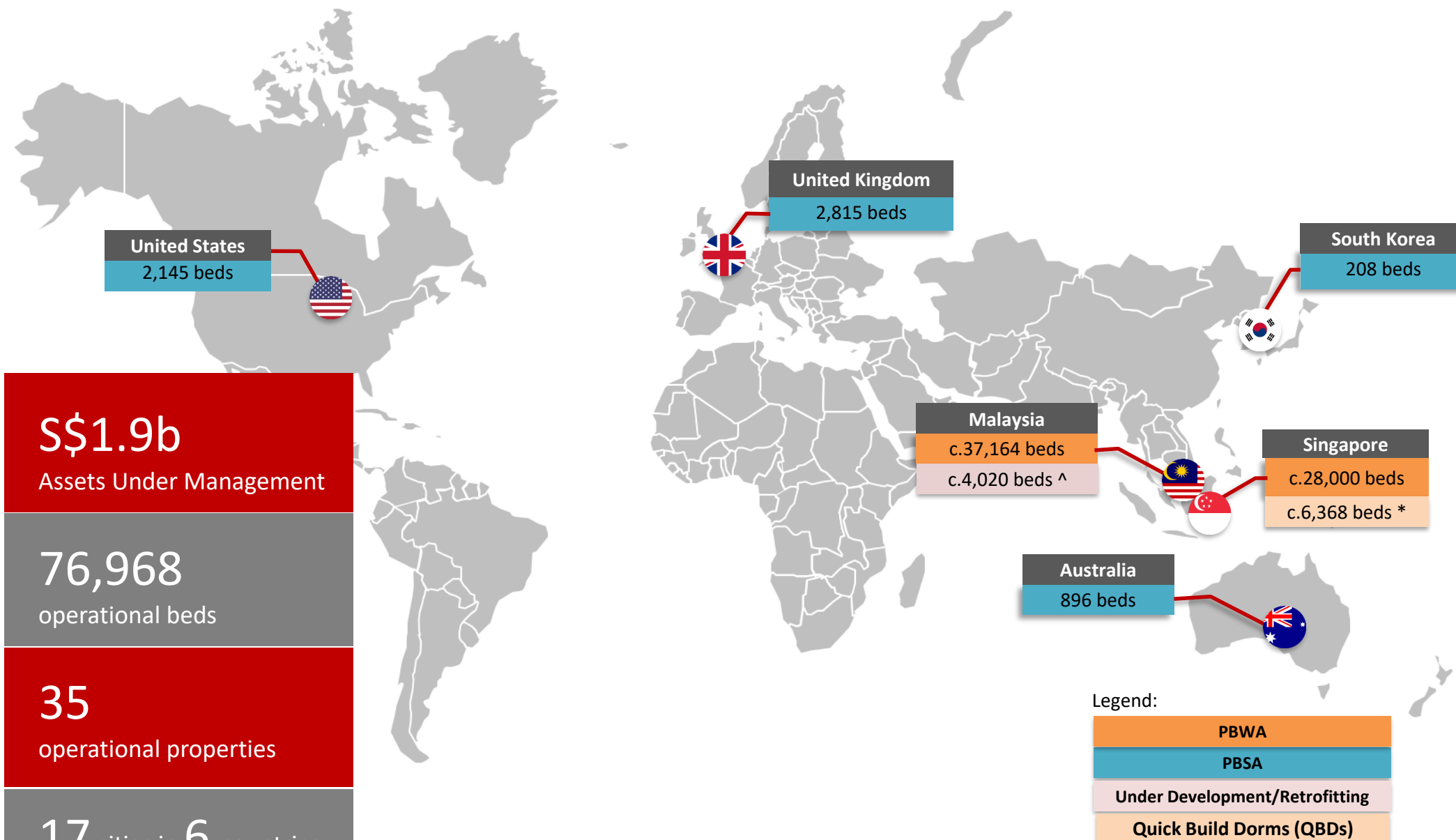
Accommodation Portfolio - Bed Capacity



Note:

1. Including 2 QBDs commencing in 2021, c. 3,600 beds from Westlite Tampoi on-going AEI and c.840 beds from 2 acquired blocks adjacent to Westlite Pasir Gudang undergoing retrofitting
2. Excluding dwell Selegie which ceased operations in early June 2021

Diversified Business Portfolio across Geography and Asset Type



S\$1.9b

Assets Under Management

76,968

operational beds

35

operational properties

17 cities in **6** countries

^ c. 3,600 beds from Westlite Tampoi on-going AEI and c.420 beds from 1 acquired blocks adjacent to Westlite Pasir Gudang undergoing retrofitting

* 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 Westlite Jalan Tukang commenced in 1H 2021, remaining 1 QBD expected to commence in 2H 2021



Financial Review



1H 2021 Key Performance Highlights

Revenue
S\$64.7m

▼ 3% from S\$66.6m in 1H 2020

- Lower revenue from PBSA and PBWA due to occupancies impacted by COVID-19
- Partly cushioned by:-
 - New revenue streams that came into operations (QBDs & MWOCs in Singapore, Westlite-PKNS PJ in Malaysia)
 - Management fee income from managing JTC Dormitories

NPAT
S\$9.1m

▼ 62% from S\$23.9m in 1H 2020

- Net fair value losses on investment properties impacted by Covid-19
- Partly mitigated by:
 - Write back doubtful debt as compared to doubtful debt provision
 - Lower administration expenses from cost management measures
 - Lower interest rates environment

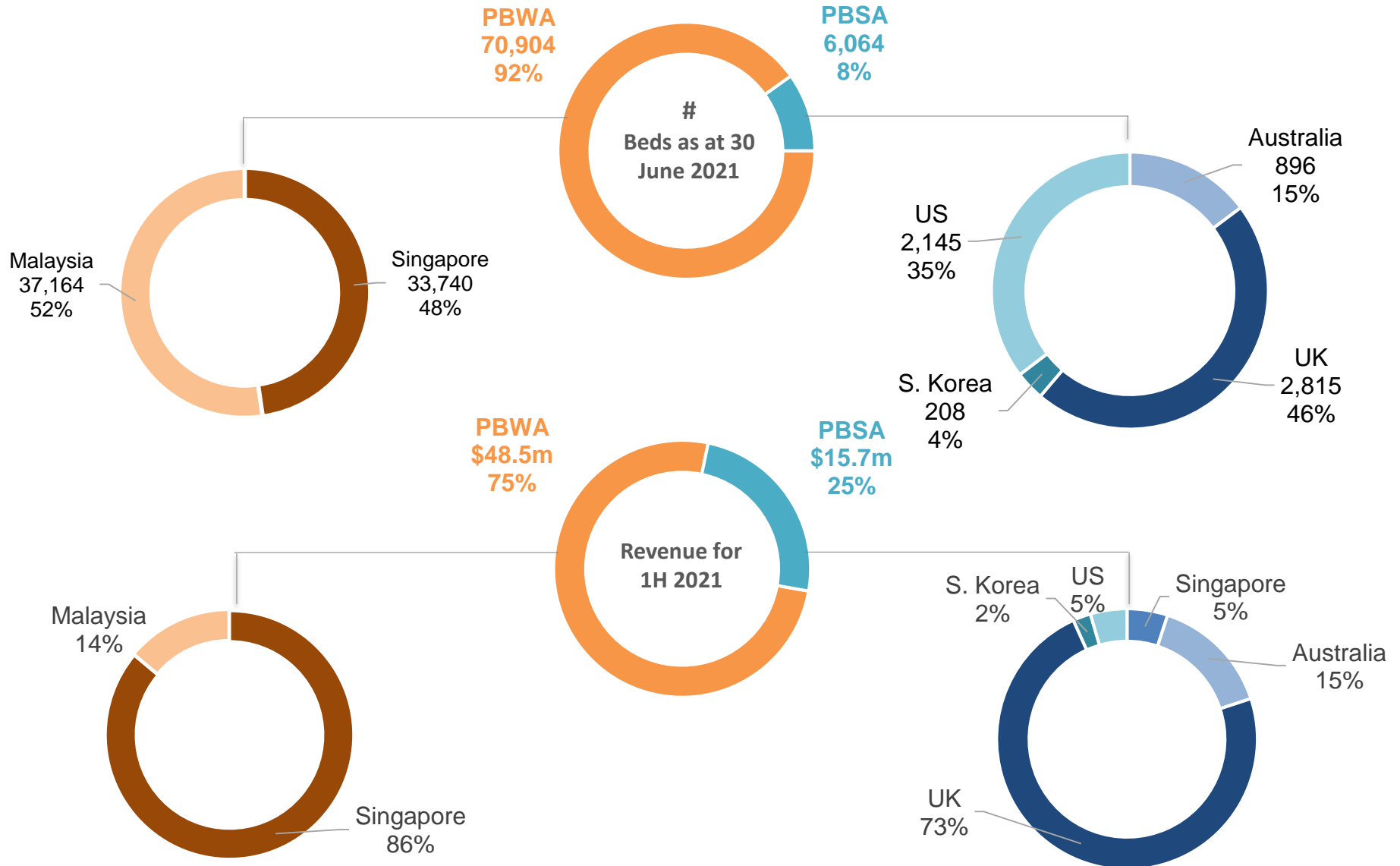
Excluding Fair Valuation Adjustments
Net Profit from Core Business

S\$23.96m

▲ S\$72,000 from S\$23.89m in 1H 2020

Diversified Business Portfolio by Asset Type and across Geographies

Good diversification at asset class, country and asset levels



Financial Overview

S\$'000	1H 2021	1H 2020	Change %
Revenue	64,727	66,590	▼ -3%
Gross Profit	43,461	48,067	▼ -10%
Gross profit margin	67%	72%	▼ -5pp
Net Profit	9,098	23,885	▼ -62%
Net Profit from core business	23,957	23,885	0%
Net Profit Margin	37%	36%	▲ 1 pp
Net Profit (Equity holders) ¹	20,384	21,005	▼ -3%

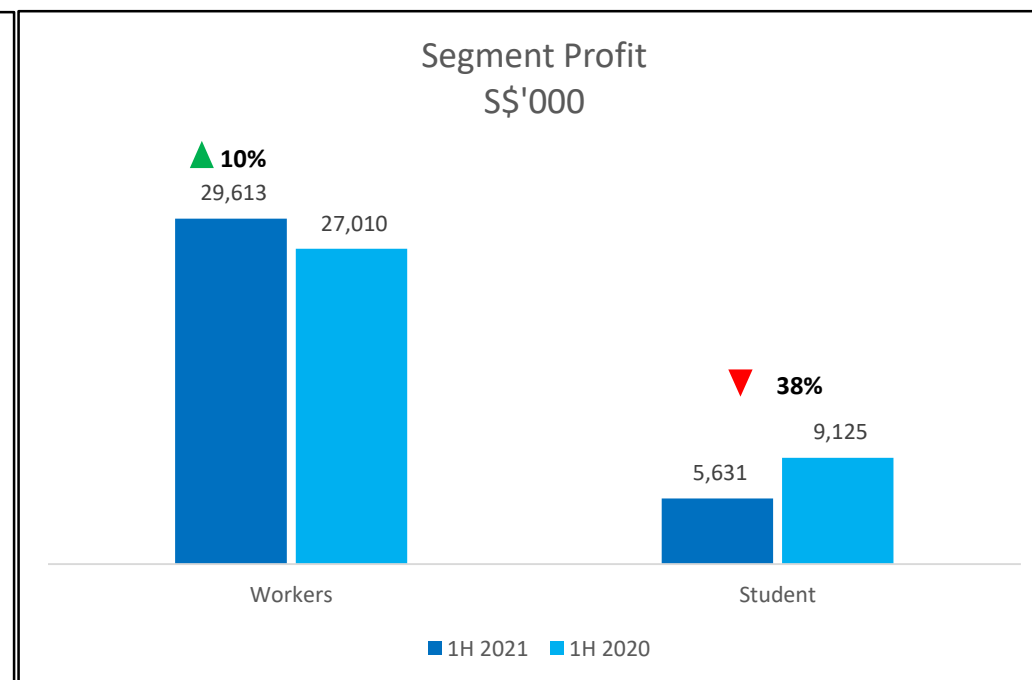
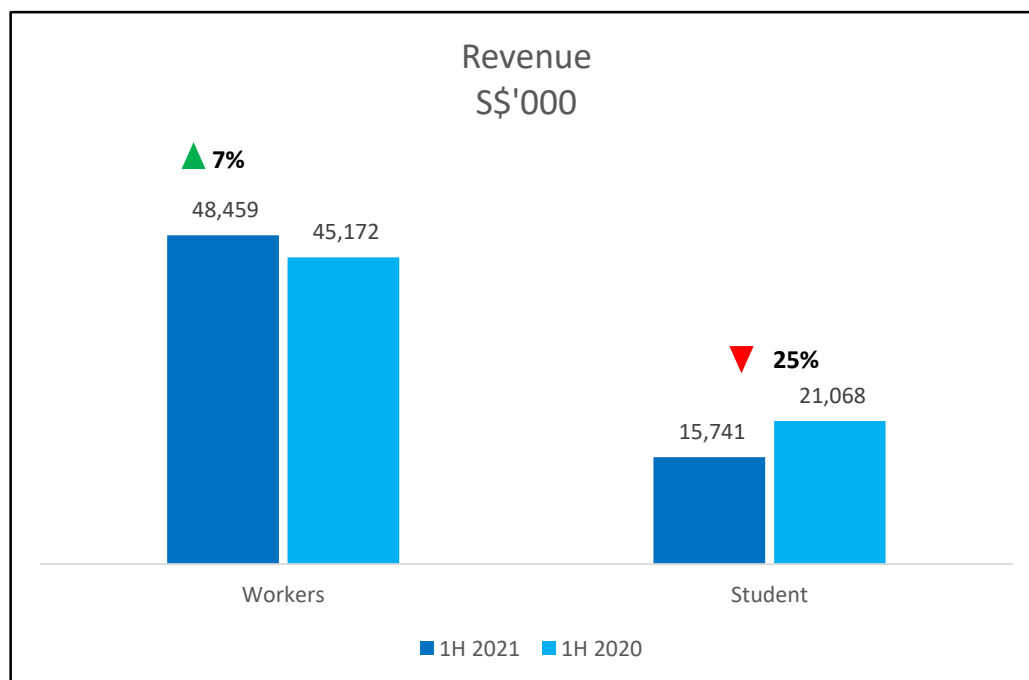
- ❑ Revenue declined 3% to S\$64.7 million in 1H 2021 mainly due to:-
 - lower occupancies caused by COVID-19, particularly in AU, UK PBSA & Singapore PBWA
 - Partly mitigated by new revenue streams contribution from new operational QBDs, MWOC and management fee income earned from JTC Dormitories
- ❑ Gross Profit reduced 10% mainly due to
 - Lower revenue
 - Set up cost of new sites in Singapore and Malaysia
- ❑ Net fair valuation loss of S\$14.5 million in 1H 2021
 - a reflection of the market condition impacted by COVID-19 pandemic & ROU fair value adjustment
- ❑ Net Profit from core business increased S\$72,000 to S\$23.96 million in 2H 2021, mainly due to :-
 - Cost management measures to cushion the impact from Covid-19;
 - lower interest rate environment led to reduced finance expenses.

1. Net Profit (Equity holders) = Profit from core business operations attributable to equity holders, which excludes the 49% interest in ASPRI-Westlite Papan.

Segment Breakdown

Accommodation Business Results in 1H 2021

S\$'000	Accommodation					
	Workers			Student		
	1H 2021	1H 2020	Change	1H 2021	1H 2020	Change
Revenue	48,459	45,172	▲ 7%	15,741	21,068	▼ -25%
Segment Profit	29,613	27,010	▲ 10%	5,631	9,125	▼ -38%
Segment Margin	61%	60%	▲ +1pp	36%	43%	▼ -7pp



Balance Sheet Highlights

S\$'000	30 Jun 2021	31 Dec 2020	Change %
Cash & Bank Balances	79,085	83,868	▼ 6%
Current Assets	104,497	108,998	▼ 4%
Non Current Assets	1,453,254	1,432,714	▲ 1%
Total Assets	1,557,751	1,541,712	▲ 1%
Current Liabilities	132,961	129,098	▲ 3%
Non Current Liabilities	783,860	783,829	▲ N/M
Total Liabilities	916,821	912,927	▲ N/M
Net Assets	640,930	628,785	▲ 2%
Net Gearing Ratio ¹	48%	48%	N/M

- ❑ **Healthy Balance Sheet** – S\$79.1m in cash and bank balances
- ❑ **Cash and bank balances** – decrease mainly due to redemption of remaining Series 004 Notes of S\$12.25 million in February 2021
- ❑ **Current Liabilities** – increase due to recognition of lease liabilities from new lease obtained. The Group has sufficient cash resources and banking facilities available in total of approximately S\$188.6m to meet its current liabilities
- ❑ **Non Current Liabilities** – increase due to recognition of lease liabilities from new lease obtained
- ❑ Average long term bank debt maturity profile of 6 years
- ❑ Interest cover is well within interest cover threshold
 - 3.6 times (5.3 times excluding MTN interest, interest on lease liability and bank facility fees)

Note:

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	30 Jun 2021	30 Jun 2020
Earnings Per Share¹	1.04¢	2.50¢
Earnings Per Share From core business operations¹	2.42¢	2.50¢
NAV Per Share	74.0¢	70.7¢
Share Price	33.5¢ ²	36.0¢ ³
Market Capitalisation	S\$282m ²	S\$303m ³

1. Excluding one-off items

2. As at 30 June 2021

3. As at 30 June 2020

Note: In view of the uncertainty amidst the COVID-19 pandemic and continued challenges ahead, the Board is not recommending a dividend payment for 1H 2021. Further, the Directors of the Company and senior management staff of the Group have agreed that the Fee and Salary Reduction from FY 2020 will continue into FY 2021 as part of the Company's measures to strengthen cash flow management and controls to conserve cash.



Business Review



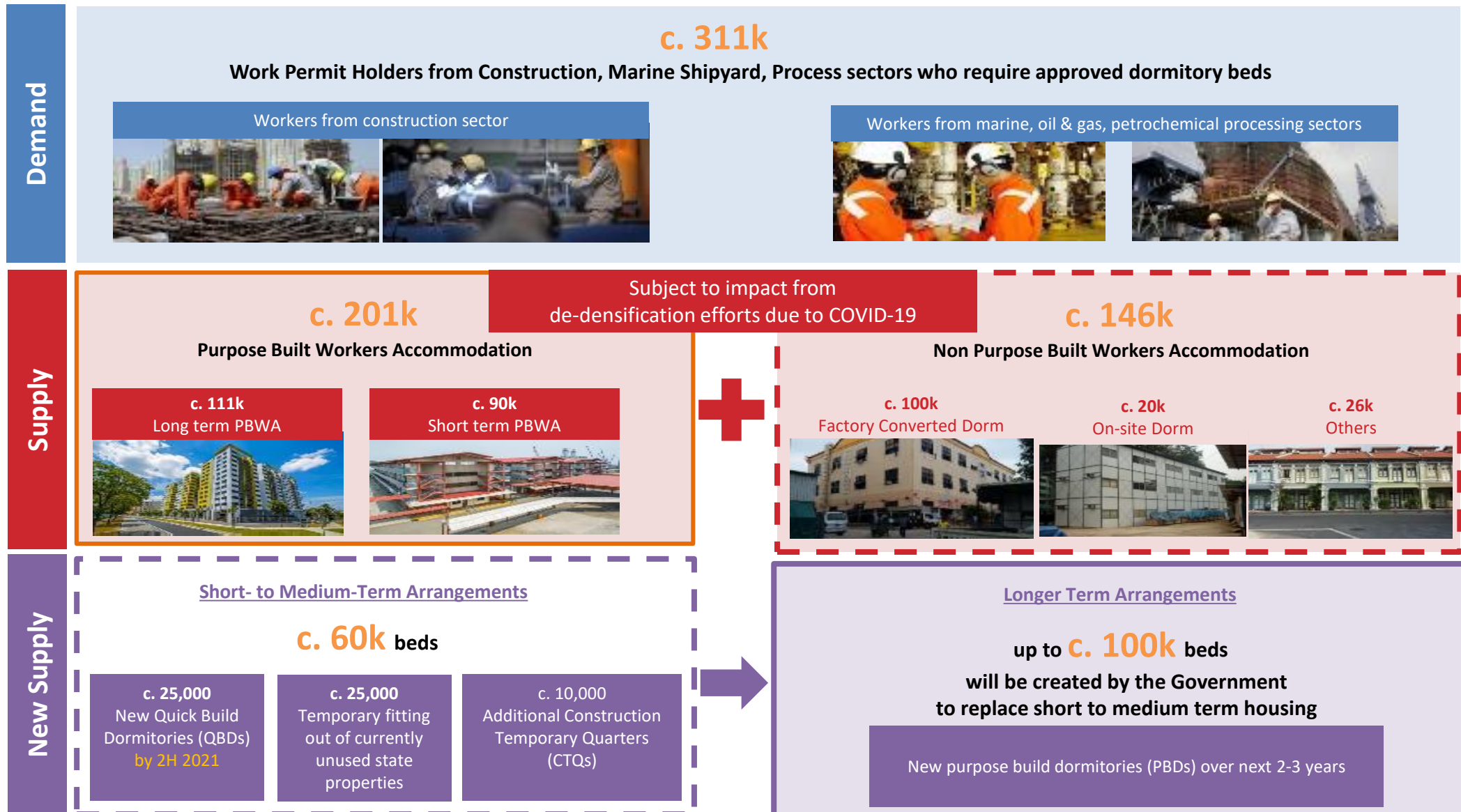


Purpose Built Workers Accommodation



Workers Accommodation Landscape - SG

Expected new supply of PBWA beds due to COVID-19[^]



Source: Singapore Ministry of Manpower (as at Dec 2020), Channel News Asia, The Straits Times, Centurion research

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

Workers Accommodation – Portfolio at a glance

Singapore – 9 Properties (incl 1* pending commencement)



**ASPRI-Westlite Papan
(51% owned)**



Westlite Toh Guan



**Westlite Mandai
(45% owned)**



Westlite Woodlands



Westlite Juniper



Westlite Kranji Way



Westlite Tuas Avenue 2



Westlite Jalan Tukang



Westlite Tuas South Boulevard

*Expected commencement in 4Q 2021

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 expected to commence operations in 4Q 2021
- Post lifting of dormitory lockdown in Aug 2020, PBD bed demand softened
 - employers sought alternative options in interim accommodation eg QBDs, TLQs, CTQs, private housing
 - a number of migrant workers have also returned to their hometown¹
- Migrant worker population expected to increase gradually in 2021 but imposition of travel restrictions to curb the spread of COVID-19 affected the recovery in occupancy in 1H 2021
 - acute shortage of migrant workers manpower in supporting the construction, marine and process industries
 - demand for the workers accommodation expected to improve when restrictions are gradually lifted as vaccination rates reach the targeted level
- Expanded revenue streams by securing contracts to manage two Migrant Worker Onboarding Centres (“MWOCs”) that commenced operations since 1H 2021
- PBWAs continue to be the preferred option for housing migrant workers in the long term
 - in dialogue with the Government on future specifications for PBDs for public health resilience
 - continue exploring opportunities for development and management of new PBWA assets addressing pandemic management needs

Note: FCDs – Factory Converted Dormitories; QBDs – Quick Build Dormitories; TLQs – Temporary Living Quarters; CTQs – Construction Temporary Quarters

¹ [The Straits Times - Singapore sees its population fall for first time in 10 years - Retrenchments have hit foreign workers especially, causing many to leave as a result, 25 September 2020](#)

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



5,300
Beds

Freehold

Westlite Tampoi*



2,600
Beds

Freehold

Westlite Senai



2,100
Beds

60
Years
wef 2000

Westlite Tebrau



2,420
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

*Excluding c. 3,600 beds from Westlite Tampoi on-going AEI

^ c.840 beds from 2 acquired blocks adjacent to Westlite Pasir Gudang undergoing retrofitting, 1 block with c. 420 beds commenced operations in 1H 2021, remaining block with c. 420 beds expected to be operational in 4Q 2021

Workers Accommodation



Malaysia

- Development works of 3 additional blocks on an existing piece of land at Tampoi completed
 - pending Certification of Completion and Compliance
 - expected to add c. 3,600 beds to existing Westlite Tampoi
- Retrofitting works at 2 acquired blocks adjacent to Westlite Pasir Gudang
 - 1 block with c. 420 beds commenced operations in 1H 2021
 - remaining block with additional c. 420 beds expected to be operational in 4Q 2021
- Implementation of various rounds of Movement Control Orders ("MCOs") across different states, restricted movements of migrant workers but have not affected the financial occupancies of the Group's assets
- Government stepped up enforcement for employers to comply with the Amendment to the Workers' Minimum Standards of Housing and Amenities Act¹
 - increasing pressures on employers to provide better living conditions for their migrant workers
- Westlite Malaysia working with the Department of Labour Peninsular Malaysia ("JTKSM") on certification of its properties in relation to the Workers' Minimum Standards of Housing and Amenities Act²

¹ [Today Online - Malaysia enforces requirement for improved worker accommodation to rein in Covid-19, 18 February 2021](#)

² [Selangor Journal - Ministry tells employers to apply for certificate of accommodation, 24 December 2020](#)

Workers Accommodation

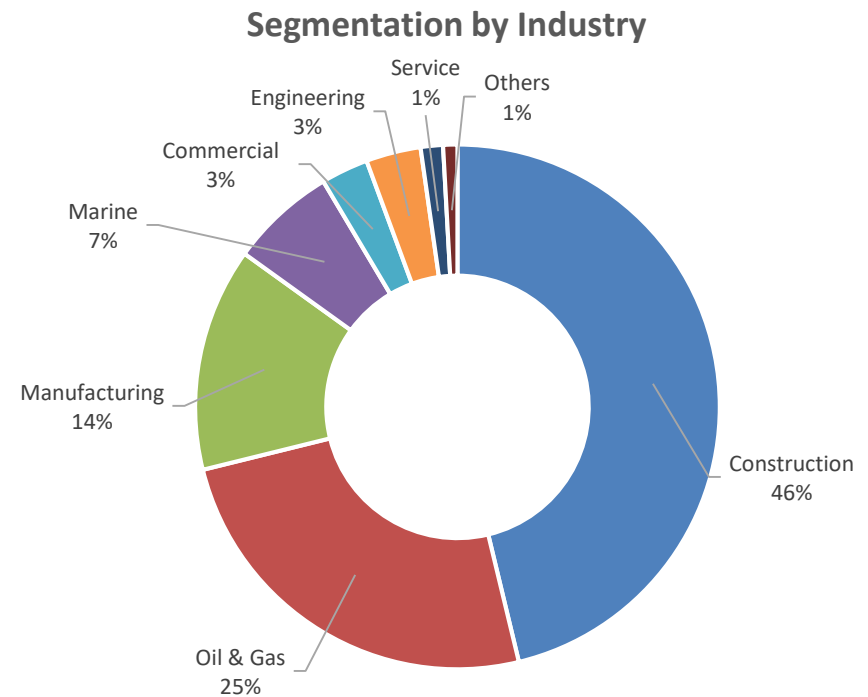
Diversified, stable customer base

- more than 1,073 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	46
2	Oil & Gas	25
3	Manufacturing	14
4	Marine	7
5	Commercial	3
6	Engineering	3
7	Service	1
8	Others	1
	Total	100

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

* As at 30 June 2020





Purpose Built Student Accommodation



Student Accommodation – Portfolio at a glance

United Kingdom – 10 Properties



1,017
Beds

Freehold

dwel Manchester Student Village (MSV)



355
Beds

Freehold

dwel MSV South



145
Beds

Freehold

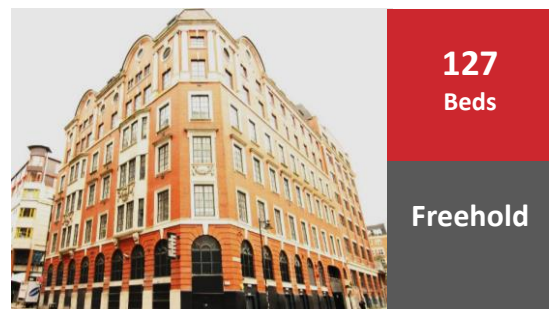
dwel The Grafton



140
Beds

125
Years
wef 2008

dwel Weston Court



127
Beds

Freehold

dwel Princess Street



157
Beds

125
Years
wef 2009

dwel Hotwells House



383
Beds

250
Years
wef 2007

dwel Cathedral Campus



181
Beds

125
Years
wef 1995

dwel Garth Heads



177
Beds

Freehold

dwel Archer House



133
Beds

Freehold

dwel 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 dwel Castle Gate Haus
Centurion Corporation Limited

Student Accommodation



UK

- Occupancy has been impacted by COVID 19 pandemic
 - universities switched to delivering courses in a blended mode, via a mix of face-to-face and online teaching
 - international student arrivals dampened by travel restrictions
- But as movement controls and travel restrictions are progressively lifted, Group is seeing recovery in demand from both domestic and international students
 - receiving increasing enquiries and bookings
 - currently pre-sold more than half of its bed capacity for the upcoming Academic Year 2021/2022
- In Feb 2021, the UK Government reaffirmed its aims to recruit 600,000 international higher education students annually and increase education exports to £35 billion a year by 2030¹
- Occupancy is expected to recover when the pandemic conditions stabilise
 - pent-up demand from both international and domestic students
 - students desire on-campus study experience, and universities need to resume full academic programmes

¹ [UK Parliament House of Commons Library - International and EU students in higher education in the UK FAQs, 15 February 2021](#)

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

- Travel restrictions to contain COVID-19 continues to restrict international student demand
 - greater impact in Melbourne than in Adelaide
 - interstate travel restrictions within Australia also contributed to lower occupancies
 - offered short term leases and where possible to non-student residents during this time
- Prospects for student accommodation remains bright in the long term
 - occupancies expected to recover once travel is allowed to resume
 - universities continue to attract students from international student source markets



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

- Higher average financial occupancy for 1H 2021 vs same period last year
 - driven mainly by international students pursuing exchange and language programmes in Seoul

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

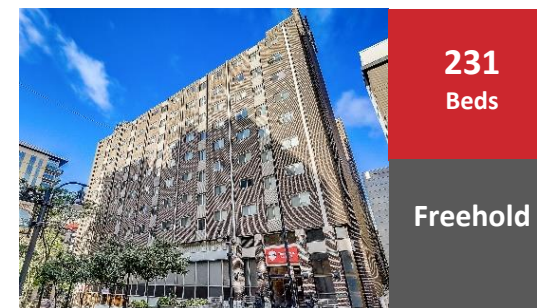
United States# - 6 Properties



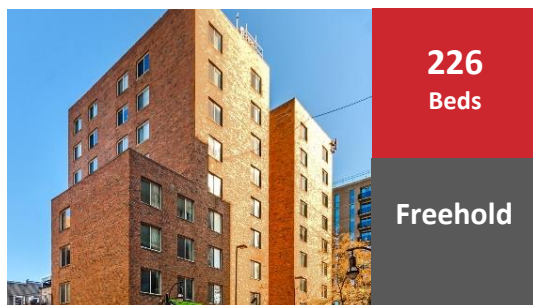
dwel Logan Square



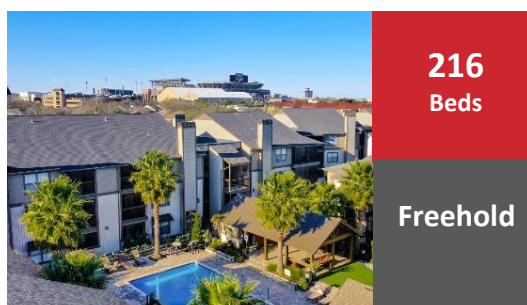
dwel Tenn Street



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 in 1H 2021 has improved as compared to the same period last year
 - assets cater mainly to domestic students
 - international students form less than 2% of the Group's US portfolio occupancy
- The Group is seeing an increase in bookings for Academic Year 2021/2022 compared to last year
- Performance of this portfolio expected to continue improving with increased and active management



Looking Ahead



Management measures amid COVID-19 uncertainties

Continued disruptions from COVID-19



- YoY occupancies impacted but green shoots of recovery beginning with
 - SG preparing to ease restrictions
 - UK lifting all remaining restrictions from 19 July
 - while occupancies in MY continue to perform well
- gradual recovery in occupancies expected with vaccine rollouts despite uncertainties

Challenges across all markets



- travel bans and movement restrictions
- uneven resumption of work and university on-campus programmes
- continued vigilance for safety, with operational cost increase

Despite uncertainties, Group continues to build on its resilient portfolio



- continue to be in dialogue with Government in SG on future dormitory specifications for enhanced living standards and public health resilience
- diversify revenue streams via other accommodation related services
- working with JTKSM in MY on certification of assets in relation to the Workers' Minimum Standards of Housing and Amenities Act



- offering students flexible lease terms across different country markets to support students and attract pre-bookings during uncertainty
- tapping growing domestic demand including short term lets and working professionals where relevant

Looking Ahead

Management measures and continued growth

- Continued focus on enhancing management and operational efficiencies
- Continue to implement and uphold high standards of Safe Living Measures to reduce operational disruptions
- Managing costs & conserving cash
- Taking opportunities, where strategic and sensible, to
 - enlarge our portfolio of revenue-generating assets
 - expand revenue streams (accommodation related services and management fee income)

In the face of COVID-19

- Portfolio of quality assets well diversified across 2 segments and 6 markets
- Confident in positive demand fundamentals and resilience of dual PBWA and PBSA business segments
- As business and travel activities resume, alongside vaccine rollouts globally, occupancy of assets expected to improve



Thank You

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