



Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)
(Company Registration No. 198401088W)

PRESS RELEASE

For Immediate Release

CENTURION'S CORE BUSINESS PROFIT RESILIENT AT S\$20.4M IN 1H 2021

- COVID-19 headwinds continue to pressure financial occupancy but recovery emerging in Singapore and in the UK
- PBWA portfolio and operations enlarges with new revenue streams from QBD and MWOCs

	Half Year Ended 30 June		
(\$'000)	2021 ("1H 2021")	2020 ("1H 2020")	Change (%)
Revenue	64,727	66,590	(3)
Gross Profit	43,461	48,067	(10)
Gross Margin	67%	72%	-5 pp
Profit After Tax Attributable to Equity Holders ("PATNCI")	8,735	21,005	(58)
Profit After Tax From Core Business Operations	23,957	23,885	-
PATNCI from Core Business Operations	20,384	21,005	(3)

Singapore and Hong Kong, 10 August 2021 – Centurion Corporation Limited (胜捷企业有限公司) ("Centurion" or the "Company" and together with its subsidiaries, the "Group"; SGX stock code: OU8; SEHK stock code: 6090), which owns, develops and manages quality specialised accommodation assets, today announced its results for the half year ended 30 June 2021 ("1H 2021").

In 1H 2021, the Group's revenue reduced 3% year-on-year to S\$64.7 million. Revenue from the Purpose-Built Workers Accommodation ("PBWA") segment improved 7% year-on-year from S\$45.2 million to S\$48.5 million. Lower occupancy in Singapore from the restricted inflow of migrant workers and availability of interim alternative housing to manage COVID-19 risks was mitigated by stable occupancy in Malaysia. Excluding the three operational Quick Build Dormitories ("QBDS"), average financial occupancy for Singapore PBWA slipped from 99% in 1H 2020 to 82% in 1H 2021, but average



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financial occupancy for Malaysia PBWA has strengthened from 80% in 1H 2020 to 88% for 1H 2021¹ amid the imposition of Movement Control Orders across different states and stronger demand due to increasing pressures on employers to provide better living conditions for migrant workers there. That said, Singapore PBWA's average financial occupancy improved from 79% as at 31 December 2020 to an average of 82% in 1H 2021, underpinned by a gradual return of migrant workers in early 2021.

Revenue from the Purpose-Built Student Accommodation ("PBSA") segment fell 25% year-on-year from S\$21.1 million to S\$15.7 million as bookings and financial occupancy in the Group's PBSAs in Australia and the UK were affected by travel restrictions and a pivot by universities to deliver courses via a mix of face-to-face and online teaching given the COVID-19 pandemic. The average financial occupancy for UK PBSA was 66% in 1H 2021, compared to 74% in 1H 2020. For the upcoming Academic Year 2021/2022, the Group has currently pre-leased more than half of its bed capacity.

Notwithstanding the COVID-19 headwinds, the Group has expanded its portfolio to enlarge and diversify revenue streams. In Singapore, the financial occupancies for the two existing QBDs, comprising 2,320 beds, which started operations around 4Q last year, have been healthy and contributing positively to the Group's 1H 2021 turnover. In 2Q 2021, operations commenced at the third QBD Westlite Jalan Tukang, comprising 3,420 beds, and two Migrant Worker Onboarding Centres ("MWOCs").

Revenue contributions from other accommodation-related or ancillary services increased by S\$3.2 million (or 165%) to S\$5.2 million in 1H 2021 compared to S\$2.0 million in 1H 2020, further mitigating the impact from reduced financial occupancies in the Group's five Purpose-Built Dormitories ("PBDs") in Singapore.

Initial start-up costs for these new operating assets and also Westlite - PKNS Petaling Jaya, which is still ramping up its occupancy, has resulted in a 5% drop in the Group's gross margin year-on-year, ending 1H 2021 with a gross profit of S\$43.5 million.

During this time, the Group had focused on cost management measures, lowering distribution and administrative expenses by S\$2.0 million. Finance expenses also decreased by S\$0.9 million to S\$11.3 million, mainly due to the lower interest rate environment, as compared to 1H 2020.

Separately, based on an internal assessment conducted for any material impact to the fair value of Centurion's investment properties from COVID-19, the Group had recorded a fair value loss of S\$14.5 million as at 30 June 2021. Independent market data and information for PBWAs and PBSAs, in

¹ Excluding the newly leased Westlite – PKNS Petaling Jaya in Selangor



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particular major inputs used for valuation such as capitalisation rates and market rental rates as at 30 June 2021, were obtained for the valuation.

Excluding fair value adjustments, profit from core business operations attributable to equity holders was resilient at S\$20.4 million 1H 2021, 3% lower year-on year.

Commenting on the Group's performance, Mr Kong Chee Min (江志明), CEO of Centurion Corporation said: "Centurion has delivered a resilient set of results notwithstanding the challenges arising from the COVID-19 pandemic. We will continue to strengthen management expertise and track record to drive portfolio expansion and value creation, in order to deliver sustainable value for our stakeholders."

Centurion continues to be in dialogue with the Singapore Government regarding future dormitory specifications for enhanced living standards and public health resilience, and is also working with the Department of Labour Peninsular Malaysia on certification of its properties in relation to the Workers' Minimum Standards of Housing and Amenities Act. In Malaysia, the retrofitting works for one of the two acquired blocks at Westlite Pasir Gudang has been completed and 420 beds have been added to the portfolio during the period. The remaining block, comprising an additional 420 beds is expected to be operational in 4Q 2021. For the Asset Enhancement Initiatives at Westlite Tampoi, development works adding 3,600 beds have been completed and is now pending Certification of Completion and Compliance. The new pipeline beds from these 2 assets are expected to commence operations within this year.

As business and travel activities resume, the occupancy levels in the Group's strategically located assets are expected to improve as well. Nonetheless, the Group will continue to prudently enlarge its portfolio and expand its revenue streams strategically and where sensible.

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About Centurion Corporation Limited

Centurion Corporation Limited (“Centurion” or the “Company” and together with its subsidiaries, the “Group”) owns, develops and manages quality, purpose-built workers accommodation assets in Singapore and Malaysia, and student accommodation assets in Australia, South Korea, the United Kingdom (“UK”) and the United States (“US”).

The Group owns and manages a strong portfolio of 35 operational accommodation assets totalling 76,968 beds as of 30 June 2021. With projects currently under development and undergoing asset enhancement works, the Group’s portfolio of accommodation assets is expected to grow to 81,616 beds by FY2021.

With global reach and a clear growth strategy to actively enhance and manage its assets, identify strategic acquisitions and joint ventures, as well as develop customised accommodation management services, Centurion is well-positioned as a leading provider of quality, purpose-built accommodation.

For more information, please visit <http://www.centurioncorp.com.sg>.

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APPENDIX

Centurion Corporation Limited's Asset Portfolio

Location	Facility	Current Capacity (approx no. of beds)	Expected Capacity (approx no. of beds)
Workers Accommodation			
Singapore	Westlite Toh Guan	7,800	7,800
	Westlite Mandai	6,300	6,300
	Westlite Woodlands	4,100	4,100
	ASPRI-Westlite Papan	7,900	7,900
	Westlite Juniper	1,900	1,900
	Westlite Kranji Way (QBD)	1,300	1,300
	Westlite Tuas Avenue 2 (QBD)	1,020	1,020
	Westlite Jalan Tukang (QBD)	3,420	3,420
	Westlite Tuas South Boulevard (QBD)	-	628
Total in Singapore		33,740	34,368
Malaysia	Westlite Tebrau	2,100	2,100
	Westlite Johor Tech Park	5,800	5,800
	Westlite Pasir Gudang	2,820 [^]	3,240 [^]
	Westlite Senai	2,600	2,600
	Westlite Tampoi	5,300	8,900 [*]
	Westlite Senai II	5,900	5,900
	Westlite Bukit Minyak	6,600	6,600
	Westlite – PKNS Petaling Jaya	6,044	6,044
Total in Malaysia		37,164	41,184
Total no. of beds for Workers Accommodation		70,904	75,552
Student Accommodation			
Australia	dwell Village Melbourne City	616	616
	dwell East End Adelaide	280	280
	Total in Australia	896	896
U.K.	dwell MSV	1,017	1,017
	dwell MSV South	355	355
	dwell The Grafton	145	145
	dwell Cathedral Campus	383	383
	dwell Weston Court	140	140
	dwell Hotwells House	157	157
	dwell Garth Heads	181	181
	dwell Princess Street	127	127
	dwell Castle Gate Haus**	133	133
	dwell Archer House	177	177
Total in U.K.		2,815	2,815
U.S.A #	dwell The Towers on State	231	231
	dwell The Statesider	226	226
	dwell Logan Square	642	642
	dwell Tenn Street	624	624
	dwell Stadium View	216	216
	dwell College & Crown	206	206
Total in U.S.		2,145	2,145
South Korea	dwell Dongdaemun	208	208
	Total in South Korea	208	208
Total no. of beds for Student Accommodation		6,064	6,064
Total no. of beds		76,968	81,616

[^] 840 beds to be added upon completion of retrofitting for 2 acquired blocks adjacent to Westlite Pasir Gudang, of which 1 block with 420 beds has been added in 2Q 2021

^{*} Upon completion of Westlite Tampoi AEI

^{**} Centurion Overseas Investments Pte. Ltd. holds approximately 14.3% of the total number of units in the Centurion Student Accommodation Fund, which acquired dwell Castle Gate Haus

[#] Centurion 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