Tapping Global Growth in Specialised Accommodation

CGS-CIMB Securities
Trading Representatives Presentation
4 September 2019
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• Corporate Overview
• Markets and Business Portfolio Overview
• Financial Highlights
• Growth Strategy
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 11 operating assets and 1 asset pending completion of acquisition of land and planning approval in Malaysia.
  - Supported by consistently high occupancy rates and stable bed rates

- A thriving student accommodation business in major global education hubs
  - 20 operating assets in Singapore, Australia, South Korea, UK and US with high occupancy rates on the back of strong and stable demand
  - Establishing 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
Corporate Milestones

Centurion has achieved a leading market position in the purpose-built accommodation sector since its first investment in 2011.
Accommodation Growth Profile

Accommodation Portfolio - Bed Capacity

Note:
1. Based on developments at existing facilities that are already owned by Centurion Corp.
2. Includes Westlite Tuas which land lease had expired as of Jan 2018 | Includes 133-bed dwell Castle Gate Haus (14.29% owned interest) which acquisition was completed on 9 Nov 2018.
3. Includes Westlite Tampoi II c.3,600 beds to be completed in 2020
4. Includes Westlite Juru c.6,100 beds (pending acquisition of land) to be completed in 2021

Centurion Corporation Limited
Pipeline for Portfolio Growth

- Majority of the new 160 beds for the dwell RMIT Village AEP completed as at 2Q 2019
  - 4 remaining beds still closed for the AEP

- Leased an adjacent block in Westlite Pasir Gudang
  - Additional block of c.400 beds
  - 3+3+3 lease term

- Commenced development for Westlite Tampoi II
  - Building 3 blocks, adding c.3,600 beds
  - Expected to complete construction in 3Q 2020

- Secured 10-year lease for new site Westlite Juniper (fka Juniper Lodge)
  - Adding c.1,900 beds
  - Lease commences from September 2019

- Obtained Outline Permission from URA for Westlite Toh Guan to reconstruct an existing block
  - Reconstruction will add an industrial training centre
  - To apply for a written permission and seek approval for an extension of the use of the existing lease for PBWA use from 2032 to 2057
Diversified Business Portfolio across Geography and Asset Type

Geographic diversification across 6 countries worldwide (SG, AU, MY, UK, US, S. Korea)

United States
2,145 beds

United Kingdom
2,675 beds

Malaysia
- c.30,700 beds
- c.3,600 beds *
- c.6,100 beds *

Singapore
- c.26,100 beds
- c.1,900 beds *
- 332 beds

Australia
892 beds

South Korea
208 beds

Legend:
- PBWA
- PBSA
- Under Planning/Development

* c. 3,600 beds under Westlite Tampoi II (currently under development) to be completed in 2020
* c. 6,100 beds under Westlite Juru (pending acquisition of land) to be completed in 2021
* c. 1,900 beds to be added to SG from securing of a 10-year lease for Westlite Juniper, commence operations from Sep 2019
Diversified Business Portfolio by Asset Type and across Geographies

- **PBWA**
  - Singapore: 56,800 (90%)
  - Malaysia: 30,700 (54%)
  - Australia: 892 (14%)
  - UK: 2,675 (43%)
  - S. Korea: 208 (4%)
  - US: 2,145 (34%)

- **PBSA**
  - Singapore: 6,252 (10%)
  - Malaysia: 332 (5%)
  - Australia: 892 (14%)
  - UK: 2,675 (43%)
  - S. Korea: 208 (4%)
  - US: 2,145 (34%)

# beds as at 1H 2019
- Singapore: 26,100 (46%)
- Malaysia: 30,700 (54%)
- Australia: 892 (14%)
- UK: 2,675 (43%)
- S. Korea: 208 (4%)
- US: 2,145 (34%)

Revenue 1H 2019
- Singapore: S$41m (64%)
- Malaysia: S$23m (36%)
- Australia: 8% (23%)
- S. Korea: 1% (8%)
- UK: 65% (23%)
- US: 3% (23%)

Centurion Corporation Limited
Business Overview

Purpose Built Workers Accommodation
Healthy and Supportive Industry Fundamentals

Positive regulatory and demand-supply factors at work for the PBWA sector

- High demand for foreign/migrant workers in multiple countries around the world
  - SE Asia
  - Middle East etc

- Growing awareness on the need for improved welfare of foreign and migrant worker populations

- Increased pressure for regulatory controls
  - Government
    - New legislation that requires employers to provide formal workers’ accommodation has been announced
  - Corporates (RBA)
    - RBA supports the rights and well-being of workers with housing and living condition being one of the main concerns

- Strong demand-supply dynamics

Note: RBA denotes the Responsible Business Alliance, previously known as Electronic Industry Citizenship Coalition

Leading Market Position with Well-Regarded Brand

A brand synonymous with quality accommodation for foreign workers

- Westlite has been professionally managing workers accommodation for MNCs and corporates since 2011

- **Addresses:**
  - Regulatory (Government) concerns over security, hygiene, community integration
  - Compliance to corporate requirements for workers accommodation (e.g. RBA)
  - Physical and mental health of workers, improving work productivity

- **Westlite characteristics:**
  - Self-contained permanent structure in a secure environment
  - Freehold or long term leases of between 23 –99 years
  - Spacious apartment style living spaces with en-suite or shared bathrooms and cooking facilities
  - Comprehensive amenities including supermarket, food court, sick bay, gym, indoor and outdoor community facilities

- **Westlite rents typically commands a premium over its competitors**
Leading Market Position with Well-Regarded Brand (continued)

• Providing comprehensive amenities and facilities
• Holistic approach to ensure well-being of residents through a comprehensive range of community programs
Workers Accommodation – Singapore

- 4 operating assets with capacity of c.26,100 beds
  - 4 operating assets with capacity of c.26,100 beds
    - Assets in good locations, meeting regulatory requirements for facilities and amenities
  - On a portfolio basis, assets are achieving healthy average occupancy rates of c.97% for 1H 2019

- **4 operating assets with capacity of c.26,100 beds**
  - Westlite Westlite Westlite Westlite
    - Westlite Juniper
      - c.1,900 beds (from Sep 2019)
      - Land tenure: 10 years (wef 2019), with option to renew for another 5 years
      - 100% owned
    - Westlite Toh Guan
      - c.7,800 beds
      - Land tenure: 60 years (wef 1997)
      - 100% owned
    - Westlite Woodlands
      - c.4,100 beds
      - Land tenure: 30 years (wef 2013)
      - 100% owned
    - Westlite Juniper
      - c.1,900 beds (from Sep 2019)
      - Land tenure: 10 years (wef 2019), with option to renew for another 5 years
      - 100% owned
Workers Accommodation Landscape

Regulated Singapore PBWA sector with demand outstripping supply

- **Demand**
  - Workers from construction sector
  - Workers from marine, oil & gas, petrochemical processing sectors

- **Supply**
  - **Purpose Build Workers Accommodation**
    - 222,600
    - 109,300
    - 113,300
    - Long term PBWA
    - Short term PBWA
  - **Supply Shortage** (120,000 – 150,000)
    - Factory Converted Dorm
      - c.60,000
    - On-site Dorm
      - c.60,000
    - Non Purpose Built / Others
      - c.25,600

- **Total Work Permit Holders in Singapore**
  - c.719K
    - Excludes Foreign Domestic Workers sectors; includes Construction, Marine, Process, Oil and Gas; Services and Manufacturing sectors
  - c.380K*
    - All sectors excluding Services and Manufacturing sectors are required to stay in approved housing types

*Source: Singapore Ministry of Manpower (as at Dec 2018) | Centurion research*
Workers Accommodation Landscape

- Population of Non-Domestic Foreign Workers with work permits (excluding Foreign Domestic Workers) was at 718,800\(^1\) as at December 2018 (vs 718,400 as at Dec 2017)
- No new supply expected in 2019, current supply reducing
  - c.8,600 beds\(^2\) have expired in 2018
  - c.19,500 beds\(^2\) estimated to expire in 2019
- Demand outstrip supply by c.120,000 – 150,000 beds\(^2\) for PBWA\(^3\)
- Government policies encourage shift of foreign workers to PBWA
  - non-Malaysians from the manufacturing sector will not be allowed to rent entire HDB flats – only individual rooms
  - new regulations for FCDs – operators to provide free Wi-Fi, personal lockers, a way to provide feedback on their accommodations and at least one sick bay or contingency plans to contain infectious diseases

Note:
1. Ministry of Manpower – [Foreign workforce numbers](#)
2. Centurion Corp Research
3. PBWA denotes Purpose Built Workers Accommodation
Workers Accommodation – Malaysia

- Current capacity of c.30,700 beds (7 operating assets); c.9,700 beds in the pipeline (2 assets)
- On a portfolio basis, the 6 operational assets (excluding Westlite Bukit Minyak) are achieving average occupancy rates of c.90% for 1H 2019
Workers Accommodation Landscape

- Large foreign workers population in Malaysia
  - More than c.2 million\(^1\) registered legal foreign workers in Malaysia
  - c.819,000\(^1\) are foreign manufacturing workers
  - c.1 million\(^2\) unregistered foreign workers

- Government policies encourage proper housing for foreign workers
  - Passing of Workers’ Minimum Standard of Housing and Amenities (Amendment) Bill 2019\(^3\)

- Government supports hiring foreign workers to ease labour shortage

Bill for workers’ housing and amenities passed

Published 4 weeks ago on 19 July 2019

Source: Malay Mail, 15 July 2019, ‘Bill for workers’ housing and amenities passed’

Note:
Workers Accommodation

Diversified, stable customer base

- more than 1,084 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

<table>
<thead>
<tr>
<th>S/N.</th>
<th>Industry</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Construction</td>
<td>43.5</td>
</tr>
<tr>
<td>2</td>
<td>Oil &amp; Gas</td>
<td>28.1</td>
</tr>
<tr>
<td>3</td>
<td>Manufacturing</td>
<td>11.9</td>
</tr>
<tr>
<td>4</td>
<td>Marine</td>
<td>6.7</td>
</tr>
<tr>
<td>5</td>
<td>Service</td>
<td>5.2</td>
</tr>
<tr>
<td>6</td>
<td>Engineering</td>
<td>4.5</td>
</tr>
<tr>
<td>7</td>
<td>Others</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

^ Breakdown of workers revenue by industry for Singapore and Malaysia only
* As at 30 June 2019
Purpose Built Student Accommodation
Healthy and Supportive Industry Fundamentals

A fast-growing, in-demand asset class for institutional investors

- **Supply remains low in mature markets** such as Australia, UK and US, where the number of PBSA beds is measured against total student populations in each destination
  - national provision rates (beds to full time higher education students) at 11% in Australia, 24% in the UK\(^1\), 12% in US

- **A resilient and in demand asset class for institutional investors**
  - total private investment in student housing is growing quickly – up nearly 90% since 2013, reaching US$17.5 billion\(^1\) in 2017
  - accounts for only a fraction of the US$223 billion invested in residential real estate in 2018
  - sector offers investors yields between 4-7% annually with less volatility

Source: 1. Savills – Global Living Report 2018
Leading Market Position with Well-Regarded Brand

Exciting growth prospects in the higher education segment

- Centurion owns and manages 20 student accommodation assets with 6,256 beds across Australia, Singapore, South Korea, UK and US
  - 12 assets are fully owned and managed
  - 8 are owned through private funds and joint ventures, under management services
    - 6 assets in US (28.74% owned)
    - 1 asset in Nottingham, UK (14.29% owned)
    - 1 asset in Seoul, S. Korea (55% owned)

- Consistently achieved healthy occupancy rates above 90% over the past 3 years
  - close relationships with nearby universities and student agent partners
  - diversified customer base including local domestic students and international students from PRC, India, SE Asia, Europe and the Americas
    - supported by sales & marketing offices in PRC and SE Asia

- Launch of the dwell brand in Feb 2017 has enabled Centurion to embark on Asset Light Strategies to grow its portfolio and its fee-based investment, asset and property management services
  - establishment of Centurion US Student Housing Fund in Nov 2017 (US$89.5 million)
  - First closing of Centurion Student Accommodation Fund in Nov 2018 (S$70 million in committed capital)
Leading Market Position with Well-Regarded Brand (continued)

- Comprehensive amenities and facilities for a conducive environment
- Active residential life programs promote an engaged community
**Student Accommodation**

- 20 operating assets with a total capacity of **6,252** beds (UK, US, Australia, South Korea and Singapore)
- On a portfolio basis, the assets are achieving high average occupancy rates for FY 2018
Student Accommodation Landscape

Australia

- International students for higher education grew 11% y-o-y to c. 690,468 students with students from China (204,940) and India (89,214) being the top two contributing countries\(^1\)
- On-shore international students projected to increase from c. 690,468\(^1\) today to c. 720,000 - 990,000 by 2025\(^2\)
- There are 690,468\(^1\) full-time higher education students but c. 76,201\(^2\) PBSA beds in Australia, thus, translating into international student to bed ratio of 9:1

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1. Australian Government Department of Education and Training – No. of international students in Australia
2. Knight Frank Research & Consulting – Student Housing 2018
Completion of dwell East End Adelaide

- The development of the new 280-bed dwell East End Adelaide has been completed in Q4 2018 and has been open for registration and available for rent from Jan 2019, catering to the student intake for the new academic year from Feb 2019
- The freehold asset is strategically located in the heart of Adelaide’s city centre and walking distance to University of Adelaide and the University of South Australia
- Provides quality student accommodation which is in close proximity to the main Rundle Mall shopping strip
Completion of RMIT Village AEP

- Majority of the new c.160 beds under development for the RMIT Village AEP have been completed as at Jun 2019.
- 4 remaining beds are still closed for AEP.
- Occupancy for is expected to ramp up progressively over the course of 2019.
Student Accommodation Landscape – South Korea

Seoul, South Korea

- One of Asia’s strongest representatives in the QS Best Student Cities ranking – in the top 10 since 2015¹
- More than 18 universities were featured in QS World University Ranking 2018 with 640,000 students and hosting 58% of the country’s international student population²
- In the immediate vicinity of dwell Dongdaemun, c.59,000 full-time domestic and international student are enrolled in four different universities³

1. QS Best Student Cities Rankings 2015-2018
2. QS World University Ranking 2018
3. QS Kyunghee University, University of Seoul, KAIST and Hankuk University of Foreign Studies
Student Accommodation – UK

- 10 operating assets with a total capacity of 2,675 beds
- Presence in five major cities with well known universities

- dwell MSV
  • 1,017 beds
  • Land tenure: Freehold
  • 100% owned

- dwell MSV South
  • 355 beds
  • Land tenure: Freehold
  • 100% owned

- dwell 121 Princess Street
  • 127 beds
  • Land tenure: Freehold
  • 100% owned

- dwell The Grafton
  • 145 beds
  • Land tenure: Freehold
  • 100% owned

- dwell Beechwood House
  • 37 beds
  • Land tenure: 125 yrs wef 2009
  • 100% owned

- dwell Weston Court
  • 140 beds
  • Land tenure: 125 yrs wef 2008
  • 100% owned

- dwell Cathedral Campus
  • 383 beds
  • Land tenure: 250 yrs wef 2007
  • 100% owned

- dwell Garth Heads
  • 181 beds
  • Land tenure: 125 yrs wef 1995
  • 100% owned

- dwell Castle Gate Haus
  • 133 beds
  • Land tenure: Freehold
  • 14.29% owned^*^

- dwell Garth Heads
  • 181 beds
  • Land tenure: 125 yrs wef 1995
  • 100% owned

- dwell Cathedral Campus
  • 383 beds
  • Land tenure: 250 yrs wef 2007
  • 100% owned

^*^ Centurion owns 14.29% of the Centurion Student Accommodation Fund, which acquired dwell Castle Gate House.
Student Accommodation Landscape - UK

United Kingdom

• Total higher education student numbers stable at c.1.8 million (2018/19)\
• Across the UK, there are currently 627,115 purpose-built bed spaces. As such, this translates into international student to bed ratio of 2.8:1\
• Over 12,000 have been taken out to be refurbished in 2018/19, and a further 31,348 beds are planning to be delivered in 2019/20\

<table>
<thead>
<tr>
<th>Total full time higher education students² (number of students)</th>
<th>Manchester</th>
<th>Newcastle</th>
<th>Liverpool</th>
<th>Bristol</th>
<th>Nottingham</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manchester</td>
<td>64,500</td>
<td>43,000</td>
<td>43,285</td>
<td>40,700</td>
<td>65,000</td>
</tr>
<tr>
<td>Liverpool</td>
<td>43,285</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nottingham</td>
<td>65,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Cushman & Wakefield – Student Accommodation Report 2018
2. Knight Frank – UK Student Housing Update

Manchester Metropolitan University

The University of Manchester
Student Accommodation – USA

- 6 operating assets with a total capacity of **2,145 beds**
- Supporting universities with good national rankings and sizable student populations
- Achieving healthy average occupancy for 1H 2019

**Statesider**
- 226 beds
- Tenure: Freehold

**Towers on State**
- 231 beds
- Tenure: Freehold

**College and Crown**
- 206 beds
- Tenure: Freehold

**Logan Square**
- 642 beds
- Tenure: Freehold

**STamium View**
- 216 beds
- Tenure: Freehold

**College and Crown**
- 206 beds
- Tenure: Freehold

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[^]: Centurion owns 28.7% of the Centurion US Student Housing Fund and is the portfolio manager as well as provider of property management services.
**Student Accommodation Landscape - USA**

- c.20.3 million collegiate-age student population including 1.044 million international students\(^1\)
- Undergraduate enrolment increased by 28% between 2008 and 2016 and is projected to increase 3% by 2027 to 17.4 million\(^2\)
- PBSA in the US catering to an estimated 12% of all tertiary education students\(^1\)

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**Total tertiary education students\(^2\)**
(approximate number of students)

<table>
<thead>
<tr>
<th>Wisconsin</th>
<th>Alabama</th>
<th>Connecticut</th>
<th>Florida</th>
<th>Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Wisconsin - Madison</td>
<td>Auburn University</td>
<td>Yale University</td>
<td>Florida State University</td>
<td>Texas A&amp;M University</td>
</tr>
<tr>
<td>43,400</td>
<td>27,300</td>
<td>12,300</td>
<td>40,800</td>
<td>60,400</td>
</tr>
</tbody>
</table>

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1. Savills - *Spotlight World Student Housing 2017/18*
2. Savills - *Spotlight World Student Housing 2016/17*
Financial Highlights
Strong Financial Growth of Accommodation Business

Accommodation - Revenue\(^1\) (S$'000)

CAGR: 37% 2011 - 2018

Note:
1. From core business operations

Accommodation - Net Profit\(^1\) (S$'000)

CAGR: 33% 2011 - 2018
## 2Q and 1H 2019 Financial Overview

<table>
<thead>
<tr>
<th></th>
<th>2Q 2019</th>
<th>2Q 2018</th>
<th>Change</th>
<th>1H 2019</th>
<th>1H 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>32,907</td>
<td>30,374</td>
<td>8%</td>
<td>64,192</td>
<td>60,476</td>
<td>6%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>24,656</td>
<td>22,012</td>
<td>12%</td>
<td>46,994</td>
<td>43,567</td>
<td>8%</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>75%</td>
<td>72%</td>
<td>3pp</td>
<td>73%</td>
<td>72%</td>
<td>1pp</td>
</tr>
<tr>
<td>Net Profit After Tax</td>
<td>11,465</td>
<td>11,063</td>
<td>4%</td>
<td>20,558</td>
<td>21,552</td>
<td>-5%</td>
</tr>
<tr>
<td>Net Profit¹</td>
<td>11,465</td>
<td>11,063</td>
<td>4%</td>
<td>20,558</td>
<td>21,552</td>
<td>-5%</td>
</tr>
<tr>
<td>Net Profit (Equity holders)²</td>
<td>10,191</td>
<td>9,767</td>
<td>4%</td>
<td>18,067</td>
<td>18,896</td>
<td>-4%</td>
</tr>
<tr>
<td>Net Profit Margin¹</td>
<td>35%</td>
<td>36%</td>
<td>-1pp</td>
<td>32%</td>
<td>36%</td>
<td>-4pp</td>
</tr>
</tbody>
</table>

- The higher revenue was mainly attributable to revenue contribution from dwell East End Adelaide in Australia and dwell Princess Street in the UK as well as the increase in rental rates from the Group’s UK assets.
- Decrease in Net Profit After Tax was mainly due to start-up costs incurred for the new properties and higher interest expense on additional borrowings to fund the Group’s expansion.

Note:
1. Net Profit and Net Profit Margin arising from Profit from core business operations
2. Net Profit (Equity holders) = Profit from core business operations attributable to equity holders, which excludes the 49% interest in ASPRI-Westlite.
## Segment Breakdown

**Strong Accommodation Business Results in 2Q 2019**

<table>
<thead>
<tr>
<th>S$’000</th>
<th>Accommodation</th>
<th>Optical Disc</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Workers</td>
<td>Students</td>
</tr>
<tr>
<td>Revenue</td>
<td>20,539</td>
<td>20,106</td>
</tr>
<tr>
<td>Segment Profit</td>
<td>12,869</td>
<td>12,708</td>
</tr>
<tr>
<td>Segment Margin</td>
<td>63%</td>
<td>63%</td>
</tr>
</tbody>
</table>

*Segment Profit from core business operations*

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**Revenue (S$’000)**

- Workers Accom: 62% in 2Q 2019, 66% in 2Q 2018
- Students Accom: 37% in 2Q 2019, 32% in 2Q 2018
- Optical Disc: 1% in both 2Q 2019 and 2Q 2018

**Segment Profit (S’000)**

- Workers Accom: 69% in 2Q 2019, 76% in 2Q 2018
- Students Accom: 30% in 2Q 2019, 23% in 2Q 2018
- Optical Disc: 1% in both 2Q 2019 and 2Q 2018
## Segment Breakdown

### Strong Accommodation Business Results in 1H 2019

<table>
<thead>
<tr>
<th>S$’000</th>
<th>Accommodation</th>
<th>Optical Disc</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Workers</td>
<td>Students</td>
</tr>
<tr>
<td>1H 2019</td>
<td>1H 2018</td>
<td>Change</td>
</tr>
<tr>
<td>Revenue</td>
<td>40,479</td>
<td>40,351</td>
</tr>
<tr>
<td>Segment Profit</td>
<td>25,273</td>
<td>25,158</td>
</tr>
<tr>
<td>Segment Margin</td>
<td>62%</td>
<td>62%</td>
</tr>
</tbody>
</table>

* Segment Profit from core business operations
Balance Sheet Highlights

<table>
<thead>
<tr>
<th>S$’000</th>
<th>30 Jun 2019</th>
<th>31 Dec 2018</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Bank Balances</td>
<td>51,818</td>
<td>62,902</td>
<td>- 18%</td>
</tr>
<tr>
<td>Current Assets</td>
<td>79,423</td>
<td>93,990</td>
<td>- 15%</td>
</tr>
<tr>
<td>Non Current Assets</td>
<td>1,264,563</td>
<td>1,227,750</td>
<td>+ 3%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>1,343,986</td>
<td>1,321,740</td>
<td>+ 2%</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>89,980</td>
<td>92,913</td>
<td>- 3%</td>
</tr>
<tr>
<td>Non Current Liabilities</td>
<td>722,575</td>
<td>703,876</td>
<td>+ 3%</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>812,555</td>
<td>796,789</td>
<td>+ 2%</td>
</tr>
<tr>
<td>Net Assets</td>
<td>531,431</td>
<td>524,951</td>
<td>+ 1%</td>
</tr>
<tr>
<td>Net Gearing Ratio¹</td>
<td>54%</td>
<td>54%</td>
<td>N/M</td>
</tr>
</tbody>
</table>

- Healthy Balance Sheet – S$51.8 million in cash and bank balances
- Cash and bank balances – reduction by S$11.1 million mainly due to redemption of MTN Series 3 Notes and payment of dividends to equity holders of the Company
- Non Current Assets – increase due to recognition of right-of-use assets from adoption of IFRS 16
- Current Liabilities - decrease largely due to settlement of the payables relating to construction costs and recognition of advance rental to the income statement
- Non Current Liabilities – Increase due to adoption of new IFRS 16 which resulted in recognition of lease liabilities of S$35.5 million
- Average long term bank debt maturity profile of 8 years
- Interest cover is well within interest cover threshold
  - 2.8 times (3.6 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

<table>
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<th>1H 2019</th>
<th>FY 2018</th>
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</thead>
<tbody>
<tr>
<td>Earnings Per Share¹</td>
<td>2.2¢</td>
<td>4.1¢</td>
</tr>
<tr>
<td>NAV per share</td>
<td>60.8¢</td>
<td>60.3¢</td>
</tr>
<tr>
<td>Share Price</td>
<td>40.0¢³</td>
<td>41.5¢²</td>
</tr>
<tr>
<td>Dividend</td>
<td>1.0¢⁴</td>
<td>2.0¢</td>
</tr>
<tr>
<td>Market Capitalisation</td>
<td>S$336m³</td>
<td>S$349m</td>
</tr>
</tbody>
</table>

Note:
1. Excluding one-off items
2. As at 31 December 2018
3. As at 28 June 2019
4. An interim dividend of 1.0 Singapore cent per ordinary share was declared for 1H 2019 (equivalent to 5.64 Hong Kong cents per ordinary share) which will be paid on 12 September 2019
## Key Strengths

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<th>Description</th>
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<td>Healthy and Supportive Industry Fundamentals</td>
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<td>Leading Market Position with Well-Regarded Brand Positioning</td>
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<tr>
<td>3</td>
<td>Diversified Business Portfolio across Geography and Asset Type</td>
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<td>4</td>
<td>Quality Assets in Good Location with Supportive Operating Conditions</td>
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<td>Resilient Portfolio with High Occupancy and Recurring Income</td>
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<td>Broad Base of Credible Customers across Multiple Industries</td>
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<td>Established Track Record of Portfolio Growth and Financial Performance</td>
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<td>Significant Financial Flexibility Given Debt Profile and Funding Sources</td>
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<td>9</td>
<td>Experienced and Competent Management Team</td>
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</table>
Experienced and Competent Management Team

Highly qualified senior management with extensive experience

- 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 20 years of experience in the property and hospitality industries

- 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

- Leong Siew Fatt
  - Head, Student Accommodation Business
  - Responsible for overall management of the Group’s Student Accommodation Business across the United Kingdom, United States, South Korea, Australia and Singapore.
  - Over 32 years of experience in technical, operational and management experience
Latest Corporate Development

SINGAPORE BUSINESS AWARDS 2019
- The Enterprise Award

LE FONTI AWARDS 2019
- Customised Accommodation Management Services
  - CEO of the Year
  - Best Provider of the Year

SINGAPORE CORPORATE AWARDS 2019
- Best Annual Report Award
  - Bronze Winner (Mid-cap Category)

INAUGURAL SECURITY INDUSTRY TRANSFORMATION AWARDS 2019
- Gold Award for Early Adopters of Security Transformation (Individual)
  - Awarded to Mr Lim Choon Kwang (Director, Global Security)
Growth Strategy

Strategic focus for growth of the accommodation\(^1\) business in a prudent manner

**Organic Growth**
- **Four developments/Asset Enhance Programmes** completed in 2H 2018 and 1H 2019, adding 7,248 beds in 2019
- **Additional PBWA leases and development projects** to further add 2,300 beds in 2019, 3,600 beds in 2020 and 6,100 beds in 2021
- **To enhance project returns** through selective asset enhancement initiatives across existing portfolio assets

**Acquisition Growth**
- **Selectively** grow accommodation business through strategic acquisitions in **existing** and **new** markets
- **Explore new accommodation asset types** which can provide diversification to the company and where the company can add value

**Investment Management Platform**
- **Scalable growth through joint ventures and asset light strategies**, including the establishment of private investment funds
- **Providing fee-based investment, asset and property management services**

Note:
1. The operating environment for the Group’s Optical Disc Business is likely to remain challenging as market demand for physical storage media falls with consumers shifting to internet downloads and streaming from physical packaged media. The Group will carefully calibrate and scale down its factory capacity according to demand, and exercise prudent cost management strategies to ensure that the business continues to contribute positively to overall profitability and generates cash flows to meet the Group’s expansion needs.
Q&A

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