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CENTURION CORPORATION LIMITED

勝捷企業有限公司*

(Incorporated in the Republic of Singapore with limited liability)

(Co. Reg. No.: 198401088W)

(SGX Stock Code: OU8)

(SEHK Stock Code: 6090)

OVERSEAS REGULATORY ANNOUNCEMENT

2023 AGM PRESENTATION

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the following pages for the document which has been published by Centurion Corporation Limited on the website of the Singapore Exchange Securities Trading Limited on 27 April 2023.

By Order of the Board
Centurion Corporation Limited
Kong Chee Min
Chief Executive Officer

Hong Kong, 27 April 2023

As at the date of this announcement, the Board comprises Mr. Loh Kim Kang David, Mr. Wong Kok Hoe and Mr. Teo Peng Kwang as executive Directors; Mr. Han Seng Juan as non-executive Director; and Mr. Gn Hiang Meng, Mr. Chandra Mohan s/o Rethnam, Mr. Owi Kek Hean, Ms. Tan Poh Hong and Mr. Lee Wei Loon as independent non-executive Directors.

* *For identification purpose only*



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2023 AGM Presentation

27 April 2023



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This Presentation should be read in conjunction with the Company's 2H 2022 and FY 2022 Unaudited Financial Statement Announcement for the period ended 31 December 2022, and the Company Annual Report 2022.

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FY 2022 Business Highlights



FY 2022 Business Highlights

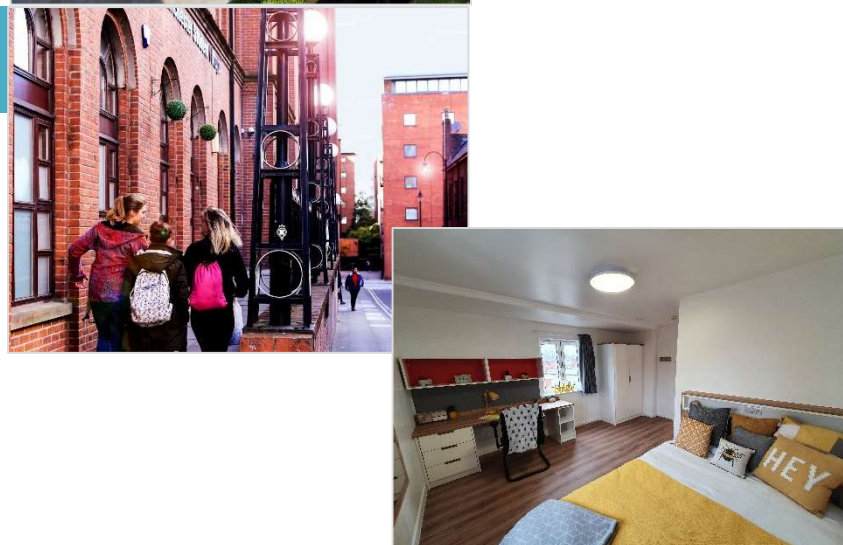
PBWA

- Westlite Malaysia assets refurbished to new JTKSM specifications, certified compliant to Act 446 requirements
 - portfolio capacity reduced from 39,758 beds to 24,411 beds
 - no impact on financial occupancy and rental revenue
- AEI completed at Westlite Tebrau, Johor, adding 688 beds
- Management contracts for 2 Onboard Centres in Singapore expired in September, after 6-month extension.
 - the properties have been returned to the government.
- AEI completed at Westlite Tampoi, Johor, adding 1,214 beds



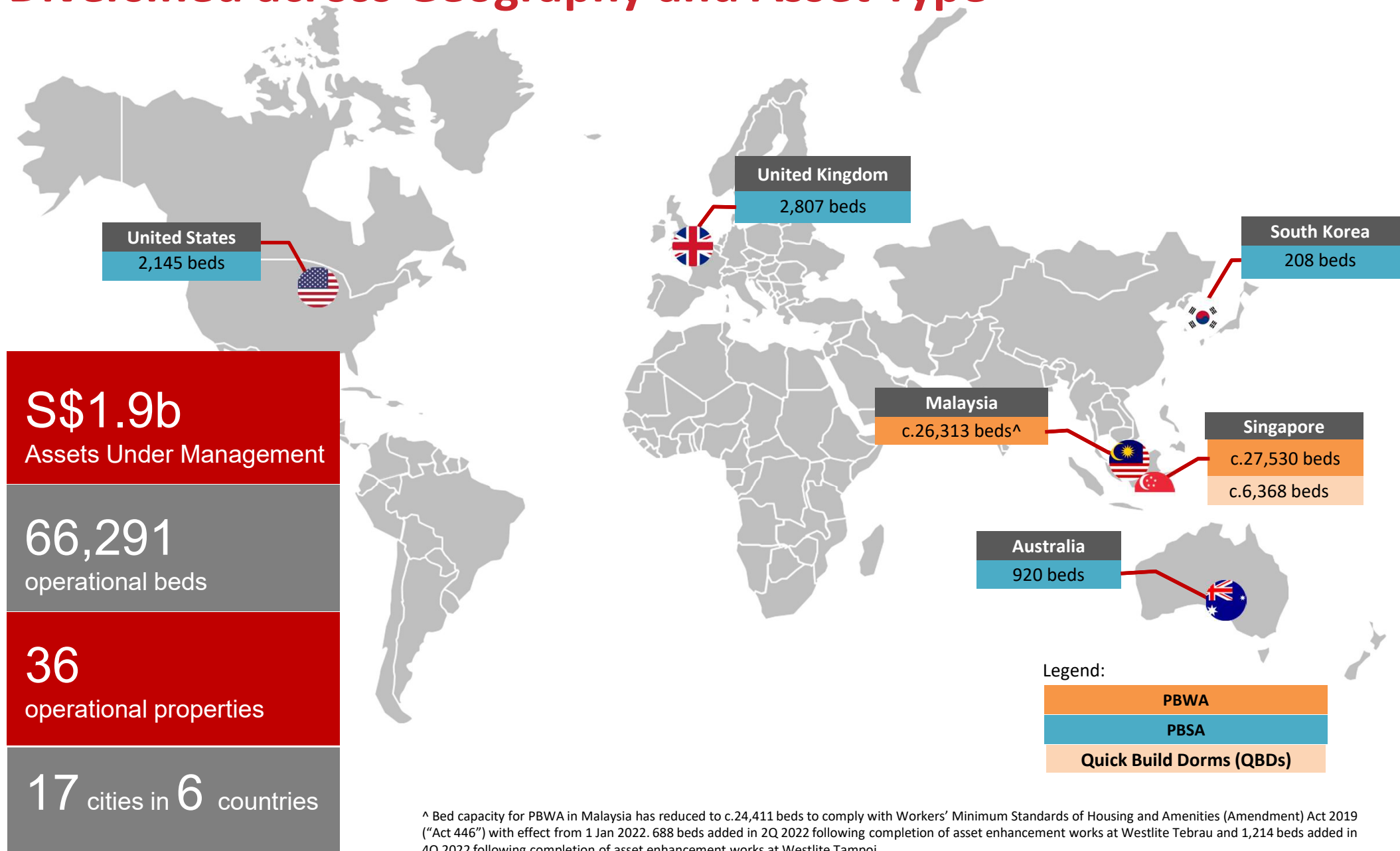
PBSA

- AEI completed at dwell MSV, converting selected cluster apartments into studio apartments to tap demand shifts.
- The term of Centurion US Student Housing Fund, which holds the six US PBSA assets, was extended for two years
 - Centurion holds 28.74% of the units in the Fund
 - Centurion manages the Fund and the properties

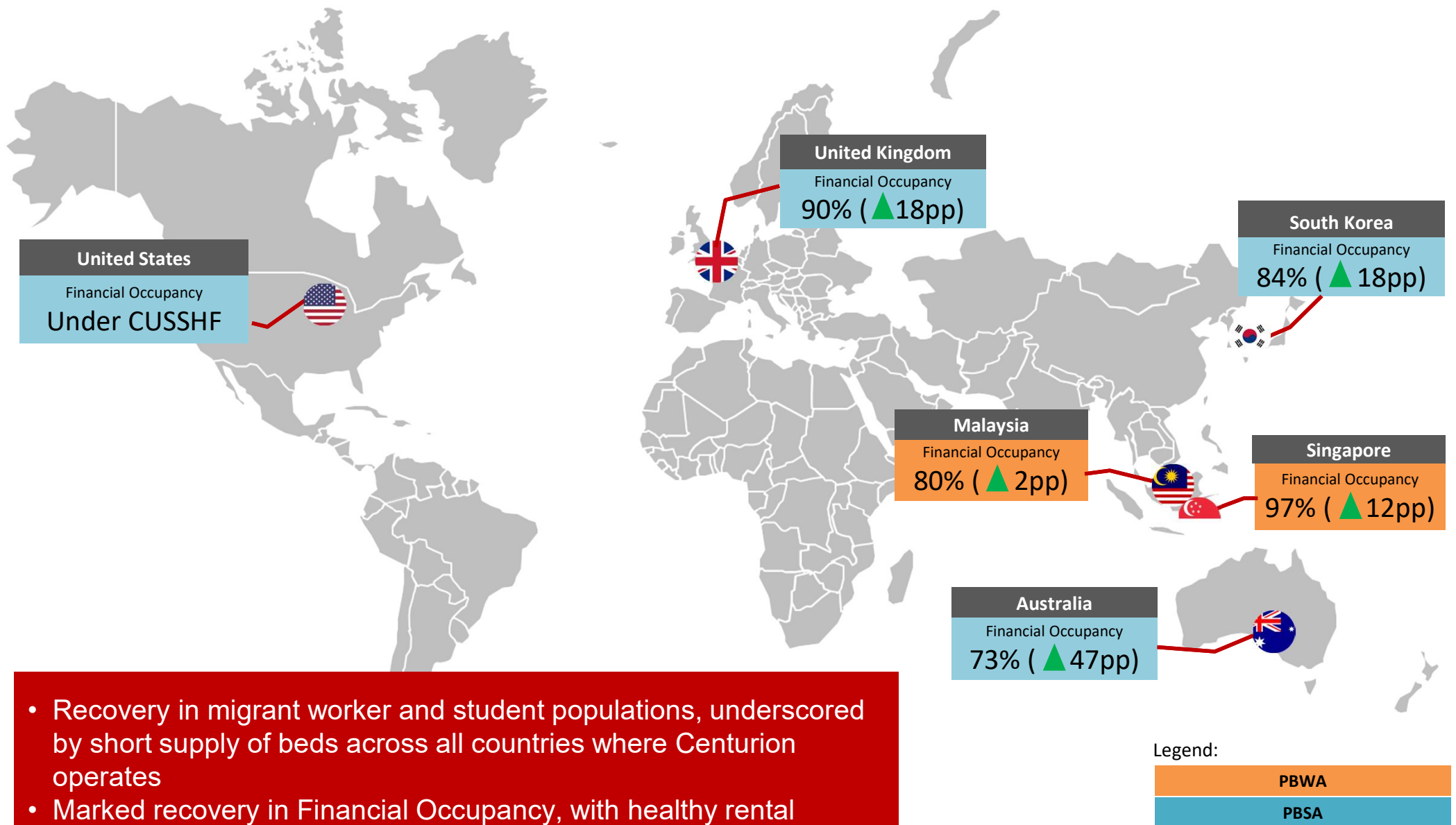


Stable and Resilient Portfolio

Diversified across Geography and Asset Type



Recovery in Financial Occupancy across all Markets



- Recovery in migrant worker and student populations, underscored by short supply of beds across all countries where Centurion operates
- Marked recovery in Financial Occupancy, with healthy rental revisions, particularly in SG PBWA, UK and AU PBSA



Key Financial Figures



FY 2022 Key Performance Highlights

Revenue

S\$180.5m

▲ 26% from S\$143.0m in FY 2021

- Increased financial occupancy across all countries where the Group operates
- Additional revenue contribution from QBDS during the year

NPAT

S\$76.3m

▲ 37% from S\$55.8m in FY 2021

- Higher revenues with increased occupancy
- Net fair value gain on investment properties in FY 2022 vs net fair value loss on investment properties in FY 2021
- Partly offset by:-
 - lower government grant support for COVID-19
 - lower share of profit from associated companies and joint venture largely due to lower fair value adjustments from US Portfolio
 - higher finance and admin expenses

Excluding Fair Valuation Adjustments
Net Profit from Core Business

S\$63.5m

▲ 20% from S\$53.1m in FY 2021

Financial Overview

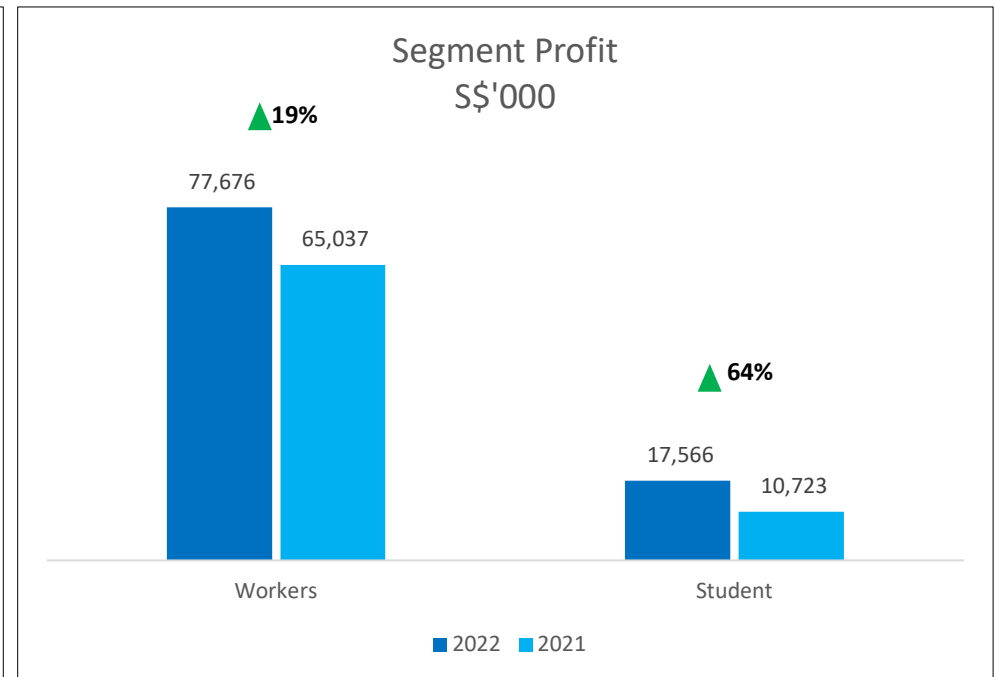
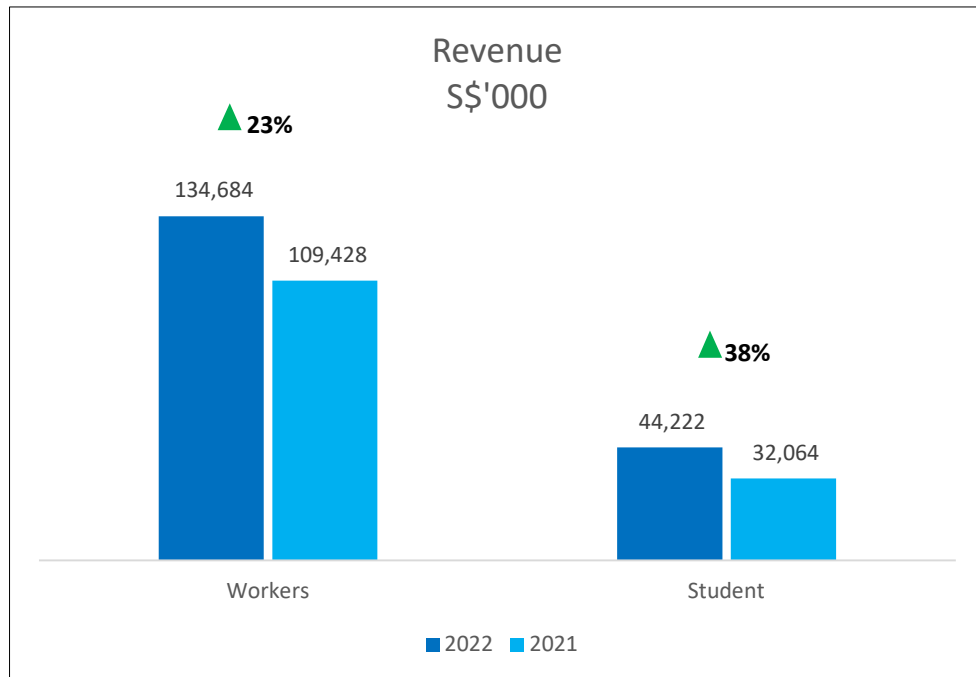
S\$'000	2H 2022	2H 2021	Change %	12M 2022	12M 2021	Change %
Revenue	89,922	78,290	▲ 15%	180,450	143,017	▲ 26%
Gross Profit	62,640	50,855	▲ 23%	123,555	94,316	▲ 31%
Gross Profit Margin	70%	65%	▲ 5pp	68%	66%	▲ 2pp
Net Profit	41,207	46,699	▼ -12%	76,280	55,797	▲ 37%
Net Profit from core business	31,096	29,131	▲ 7%	63,488	53,088	▲ 20%
Net Profit Margin	35%	37%	▼ -2pp	35%	37%	▼ -2pp
Net Profit (Equity holder) ¹	28,132	26,102	▲ 8%	57,090	46,486	▲ 23%

- ❑ **Revenue increased 15% to S\$89.9 million in 2H 2022 and 26% to S\$180.5 million in 12M 2022** mainly due to:-
 - Increases occupancy across all countries particularly Singapore PBDs, Australia and UK
 - Full year's contribution from four QBDs in FY 2022 compared to FY 2021 when only two QBDs delivered a full year's contribution while two QBDs commenced operations progressively in June and September 2021
- ❑ **Lower other income due to a reduction of grants associated with Covid-19**
- ❑ **Higher admin & distribution expenses** with increased business activities, higher professional fee for strategic review and **higher finance expenses** due to higher interest rate environment
- ❑ **Lower net fair value gain by S\$2 million in 2H 2022 and net fair value gain of S\$19 million in 12M 2022** as compared to net fair value loss of S\$3.1 million in 12M 2021
 - a reflection of current market conditions, on paths of recovery, offset by ROU fair value adjustment
- ❑ **Excluding fair value adjustments, Net Profit (Equity holders) increased 8% in 2H 2022 and 23% in 12M 2022** mainly due to:
 - higher revenue partly mitigated by lower grants and higher admin & interest expenses

Segment Breakdown

Accommodation Business Results in FY 2022

S\$'000	Accommodation					
	Workers			Student		
	FY 2022	FY 2021	Change	FY 2022	FY 2021	Change
Revenue	134,684	109,428	▲ 23%	44,222	32,064	▲ 38%
Segment Profit	77,676	65,037	▲ 19%	17,566	10,723	▲ 64%
Segment Margin	58%	59%	▼ -1pp	40%	33%	▲ 7pp



Balance Sheet Highlights

S\$'000	31 Dec 2022	31 Dec 2021	Change %
Cash & Bank Balances	68,274	67,493	▲ 1%
Current Assets	91,757	96,630	▼ -5%
Non Current Assets	1,455,998	1,486,084	▼ -2%
Total Assets	1,547,755	1,582,714	▼ -2%
Current Liabilities	165,599	136,844	▲ 21%
Non Current Liabilities	673,668	768,551	▼ -12%
Total Liabilities	839,267	905,395	▼ -7%
Net Assets	708,488	677,319	▲ 5%
Net Gearing Ratio ¹	43%	47%	▼ -4pp

- ❑ **Healthy Balance Sheet** – S\$68.3m in cash and bank balances
- ❑ **Cash and bank balances** – Increase largely due to cash generated from operating activities
- ❑ **Current Liabilities** – increase due to reclassification of borrowings that was due within 1 year and increased rental deposits received from new tenants arising from higher occupancy. The Group has sufficient cash resources and banking facilities available in total of approximately S\$197.5m to meet its current liabilities
- ❑ **Non Current Liabilities** – decrease due to loan repayment and reclassification of borrowings due within 1 year as well as repayment of principal portion of lease liabilities
- ❑ Average long term bank debt maturity profile of 6 years
- ❑ Interest cover is well within interest cover threshold at 3.9 times

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	31 Dec 2022	31 Dec 2021
Earnings Per Share	8.50¢	6.27¢
Earnings Per Share From core business operations ¹	6.79¢	5.53¢
NAV Per Share	81.70¢	78.46¢
Share Price	33.5¢ ²	33.0¢ ³
Dividend	0.5¢ ⁴	0.5¢ ⁴
Market Capitalisation	S\$282m ²	S\$277m ³

Notes:

1. Excluding fair value adjustments and one-off item
2. As at 31 December 2022
3. As at 31 December 2021
4. The Board has recommended a final dividend of 0.5 Singapore cent per ordinary share for FY 2022 (equivalent to 2.87 Hong Kong cents per ordinary share*)

* based on exchange rate of S\$1.00: HK\$5.7494 as at 28 February 2023



Business Outlook





Singapore

- Average financial occupancy was 97% for FY 2022 vs 85% for FY 2021
 - improved steadily in FY 2022 alongside healthy rental rate increases
- Occupancies for the Group's Singapore PBWA expected to remain robust in the year ahead
 - number of CMP work permit holders reached 415,000 in December 2022¹, exceeding pre-pandemic 370,100 in December 2019
 - sustained strong demand is under-met by bed supply



Malaysia

- Average financial occupancy was 80% for FY 2022 vs 78% for FY 2021
 - demand for quality worker accommodations expected to increase as employers move to comply with Act 446
- Johor, Penang and Selangor are top three states with highest manufacturing worker numbers
 - sector accounts for about 35% of the country's estimated 2 million foreign workforce²

¹ <https://www.mom.gov.sg/documents-and-publications/foreign-workforce-numbers>

² [The Changing Landscape Of Workers' Accommodations](#), Knight Frank, November 2021

United Kingdom

- Average financial occupancy improved to 90% for FY 2022 vs 72% for FY 2021
 - domestic population of Higher Education-age students has grown, adding to demand for PBSA beds¹
 - international student arrivals recovered as UK lifted all COVID-19 travel restrictions
- Continued shortage in bed supply and increased demand enables healthy rental reversions
 - pre-bookings for AY 2023/24 are healthy
 - the Group continues to explore opportunities to enhance its UK portfolio to meet evolving demands

Australia

- Average financial occupancy improved to 73% for FY 2022 vs 26% for FY 2021
 - borders re-opened since Dec 2021 and international students were welcomed back into the country
- AY 2023 bookings expected to further recover, with continued shortage of accommodations
 - growth in student population continues, with strong recovery in China student numbers as China ends recognition of online degrees²

1 [HESA - Higher Education Student Statistics: UK, 2019/20 - Student numbers and characteristics](#), 27 January 2021

2. [China Bans Overseas Online Colleges](#), Inside Higher Ed, 9 February 2023



United States

- Average financial occupancy for FY 2022 remained healthy and stable
- The Group has in November 2022 extended the term of Centurion US Student Housing Fund for a further two years



South Korea

- the Group has completed the sale of its single asset dwell Dongdaemun in South Korea
 - part of ongoing rationalisation of the Group's asset portfolio
 - the Company intends to align and focus its asset portfolio on countries where it believes it is able to expand and scale up its operations



Looking Ahead for FY 2023



Events to date, in FY 2023



PBWA

- Westlite Singapore awarded JTC land tender, to develop and operate a PBD on a 30-year lease (through a JV in which Centurion holds 51%)
 - situated at Ubi Avenue 3 in the east of Singapore, a region served mainly by FCDs, with few PBDs, and a shortage of dormitory beds
 - expected development completion in 2025, adding c. 1,650 beds
 - among the first PBD to be developed to new specifications announced by the MOM in Sept 2021
- Secured a management contract, for operate 5 Community Recovery Facilities in Singapore
- Received approval from JTC for bed capacity uplifts at two QBDs, Westlite Jalan Tukang and Westlite Tuas Avenue 2, adding c. 888 beds
- Westlite Malaysia secured 10-year management contract for Westlite Cemerlang, a 2,196-bed PBWA in Johor
 - expected to commence operations in 3Q 2023

PBSA

- sale of dwell Dongdaemun, South Korea
- AEI in progress at dwell MSV in Manchester and dwell Cathedral Campus in Liverpool.

Looking Ahead



Managing Operating Performance



Global economy continues to recover from COVID-19, and demand continues to be strong across the geographical territories where Centurion operates.

Inflationary pressures and rising interest rates will add to operating costs and financing expenses, which Centurion expects to offset by positive rental reversions.

The Group aims to mitigate impact of the dual headwinds, with focus on management efficiencies, optimizing rental revenues, and prudent cash conservation.

Enhancing Portfolio Value and Performance



Centurion will continue to calibrate assets, spaces and operations, adjusting to market shifts and regulatory changes, to enhance the value of its assets, improve pandemic management resilience and ensure the well-being of our residents.

Seeking Synergistic Growth



Centurion continues our strategic review of our specialized accommodation portfolio, seeking opportunities for capital recycling and reallocation towards synergistic assets and businesses, to deliver sustainable, long-term value to shareholders



Thank You

