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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

1Q 2023 BUSINESS UPDATES

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 10 May 2023.

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

Hong Kong, 10 May 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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1Q 2023 Business Updates

10 May 2023



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Business Overview



Performance Highlights

Revenue

1Q 2023 **S\$47.1m**

▲ 5% from S\$45.1m in 1Q 2022

Financial Occupancy

PBWA



96% in 1Q 2023

84% in 1Q 2022

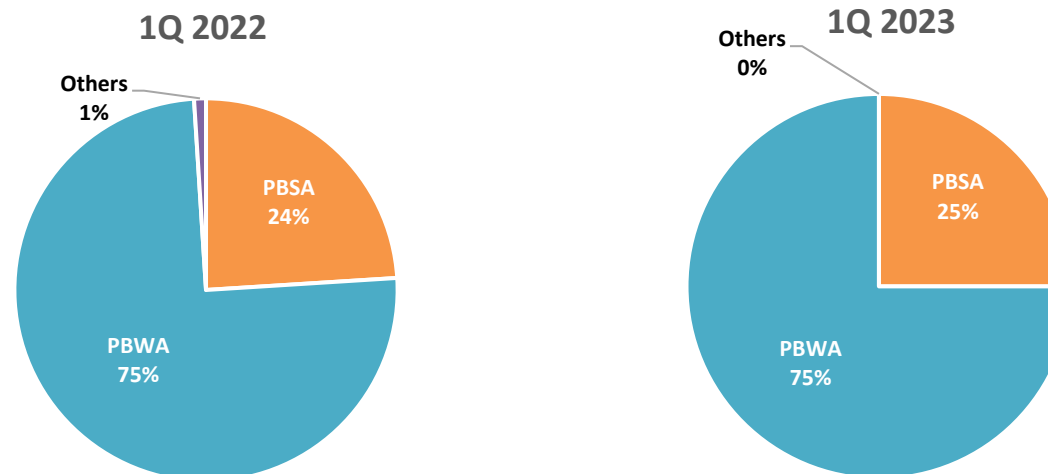
PBSA



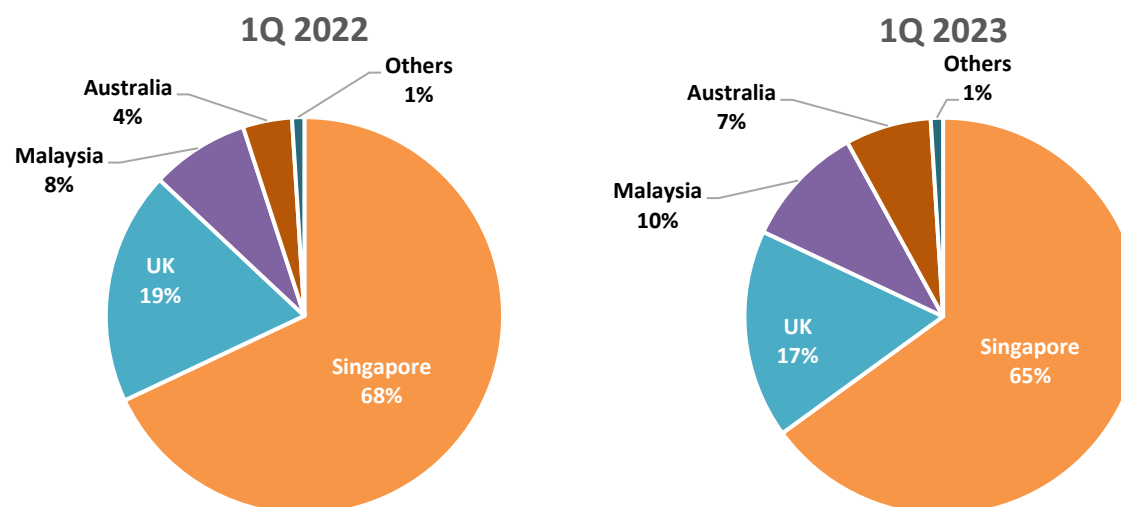
87%¹ in 1Q 2023

80%¹ in 1Q 2022

Revenue by Business Segment



Revenue by Country



Note:

¹ Occupancy excludes US where the properties are held under a private fund structure and Korea ceased operations by end February 2023.

Performance Highlights



5% increase in 1Q 2023 revenue YOY was due to



Improved revenue mainly from

- Strong demand and positive rental revisions across all the PBWAs and PBSAs
- Recovery of occupancies in Singapore and Malaysia PBDs and Australia PBSAs
- New managing contract for five Community Recovery Facilities that came into operations



Partly offset by

- Cessation of management contract of two Onboard Centres in Singapore
- A weaker British Pound which reduced the revenue reported in Singapore dollars

Prudent capital management and ample liquidity



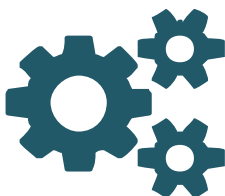
Total Assets
S\$1.6b



Total Borrowings
S\$0.7b



**Cash and undrawn
committed facilities**
S\$222m



Net Gearing Ratio
44%¹



Interest Cover Ratio
3.4x²



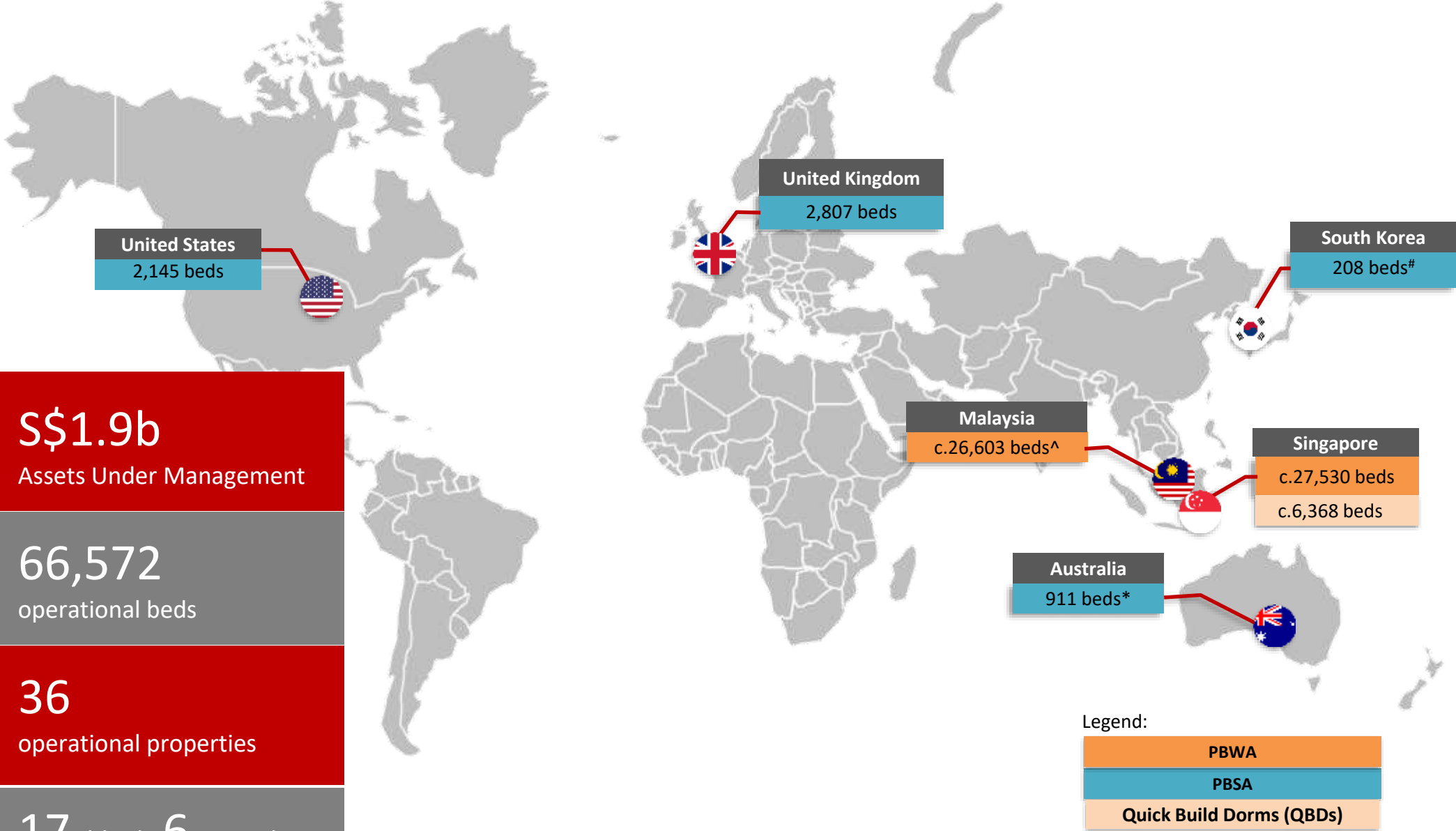
Average debt maturity
6 years

Note:

¹ 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.

² Excluding bank facility fees and amortization of transaction costs.

Diversified Business Portfolio across Geography and Asset Type



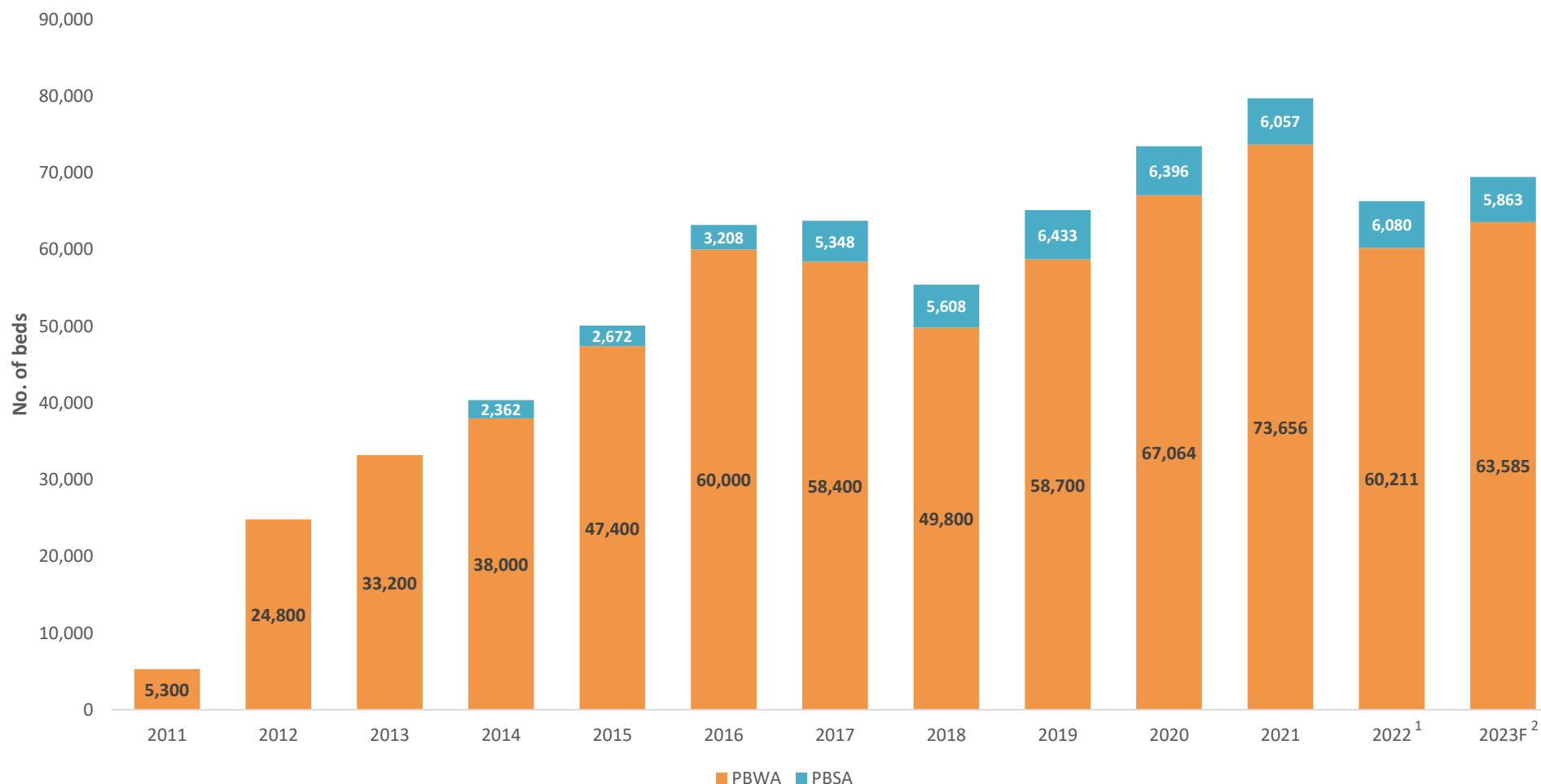
[^] Westlite Tampoi received JTKSM permit allowing an increase of 290 beds in 1Q 2023.

^{*} Reduction of 9 beds in 1Q 2023 following reconfiguration of selected apartments into room formats in Melbourne and Adelaide.

[#] In Apr 2023, Centurion announced the disposal of its dwell Dongdaemun asset. Operations had ceased in Feb 2023, in anticipation of the sale completion.

Accommodation Growth Profile

Accommodation Portfolio - Bed Capacity



Note:

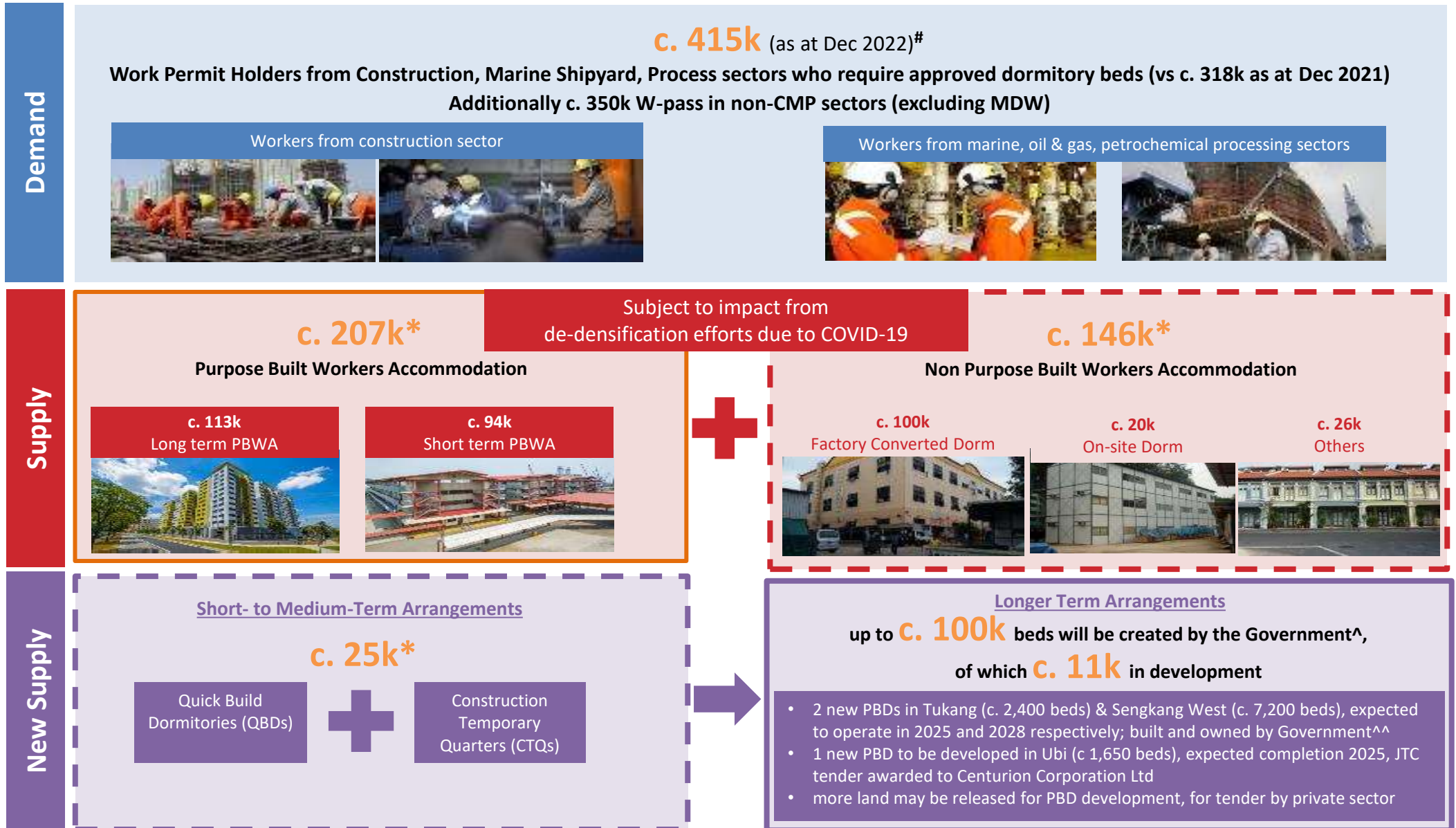
1. Bed capacity for PBWA in Malaysia reduced to c.24,411 beds to comply with Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("Act 446") with effect from 1 Jan 2022. 688 beds added in 2Q 2022 following completion of asset enhancement works at Westlite Tebrau and 1,214 beds added in 4Q 2022 following completion of asset enhancement works at Westlite Tampoi
2. The Group secured a 10-year management contract for a 2,196-bed PBWA, Westlite Cemerlang in Johor, which is expected to commence operations in 3Q 2023. In addition, the Group received approval in 1Q 2023 from JTC for a bed capacity uplift at its Westlite Tukang and Westlite Tuas Avenue 2 QBDs. The new beds will be implemented progressively in 2023. Meanwhile In April 2023, Group announced the disposal of its dwell Dongdaemun asset; Operations had ceased in Feb 2023, in anticipation of the sale completion in April.



Business Review by Markets



Workers Accommodation Landscape - SG



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

* Centurion research

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

^{^^} [MOM to set up new corporate entity to run 2 foreign worker dorms, The Straits Times, 1 Oct 2022](#)

Workers Accommodation



Singapore

- Average financial occupancy was 98% for 1Q 2023 vs 96% for 1Q 2022
 - improved steadily in 1Q 2023 alongside healthy rental revisions
- 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 93% for 1Q 2023 vs 68% for 1Q 2022
 - demand for quality worker accommodations expected to increase as Malaysia resumes its economic recovery post-Covid and workers return; 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

Student Accommodation



UK

- Average financial occupancy has remained stable at 90% for 1Q 2023 vs 1Q 2022 (or 97% excluding beds unavailable in the current academic year due to ongoing Asset Enhancement Initiatives)
 - international student arrivals continues to be strong as UK positions as choice education destination
 - demand for PBSA beds continues to be strong as domestic population of Higher Education-age students has grown¹
- Continued shortage in bed supply and increased demand enables healthy rental revisions
 - pre-bookings for AY 2023/24 are healthy
 - the Group continues to explore opportunities to enhance its UK portfolio to meet evolving demands whilst addressing inflationary pressures and high energy costs in the UK



Australia

- Average financial occupancy has increased significantly to 80% in 1Q 2023 vs 49% in 1Q 2022
 - 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 in Australia
 - 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

Student Accommodation



United States

- Average financial occupancy for 1Q 2023 remains 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



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, optimising 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 standards of its specialised accommodations and future, pandemic management resilience to ensure the well-being of its residents.

Seeking Synergistic Growth



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



Thank You

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