



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

PRESS RELEASE
For Immediate Release

Centurion Corp reports net profit growth of 16% for 1H 2020 due to strong 1Q 2020 growth

COVID-19 impacted 2Q 2020 and the Group expects further headwinds due to COVID-19

- 1H 2020 revenue and net profit from core business operations attributable to equity holders grew 4% and 16% respectively;
 - 1Q 2020 revenue grew 13% year-on-year due to expanded portfolio, with little effect from COVID-19
 - 2Q 2020 revenue reversed and suffered a decline of 5% due to impact from COVID-19 on the Group’s UK and Australia student accommodation assets
 - Higher operating costs and debt delinquencies due to COVID-19 cushioned by government grants and lower interest costs
- Addressing uncertainties surrounding COVID-19 and its consequent effects on economies, the Group has taken steps to conserve cash and strengthen operating capabilities and efficiencies

	Half Year Ended 30 June		
	2020 ("1H 2020") S\$'000	2019 ("1H 2019") S\$'000	Change %
Revenue	66,590	64,192	4
Gross Profit	48,067	46,994	2
Gross Margin	72%	73%	(1) pp
Net Profit After Tax from Core Business Operations	23,885	20,558	16
Net Profit from Core Business Operations Attributable to Equity Holders	21,005	18,067	16

Singapore and Hong Kong, 11 August 2020 – 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 1H 2020.

For 1H 2020, Centurion reported a revenue of S\$66.6 million, an increase of 4% from S\$64.2 million a year ago, due to a strong revenue growth in 1Q 2020 prior to COVID-19 outbreak when it registered a 13% year-on-year revenue growth. The improved revenue in 1Q 2020 was contributed mainly by the Group’s new portfolio assets, respectively, Westlite Juniper and dwell Archer House which had been leased and acquired in the latter half of 2019, as well as dwell East End Adelaide which had been completed in 1Q 2019 and ramped up over the course of 2019.



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However, the Group suffered a 5% reduction in revenue in 2Q 2020 compared to 2Q 2019, due to the impact of COVID-19 which offset growth from the Group's expanded portfolio.

In the United Kingdom, revenue was impacted by the early lease termination which the Group had announced in April 2020 for its student-residents, while lockdown measures by the Australian government resulted in lower occupancy in its properties in Australia.

The Group also incurred S\$1.3 million in additional expenses to manage the COVID-19 outbreak in 2Q 2020, substantially at its workers accommodations in Singapore which have led to a marginally reduced gross profit margin despite an increase in revenue of S\$2.4 million for 1H 2020.

Government grants and support schemes received from the respective countries in response to COVID-19 and a lower interest rate environment as compared to the same period a year ago, which have led to lower finance expenses, have helped to offset increased administrative costs due to the Group's expanded business operations and higher provision for doubtful debts.

For 1H 2020, the Group posted gross profit of S\$48.1 million, 2% higher than S\$47.0 million a year ago, and net profit from core business operations attributable to equity holders of S\$21.0 million, 16% higher than S\$18.1 million in 1H 2019.

Commenting on the Group's performance and outlook, Mr. Kong Chee Min (江志明), CEO of Centurion Corporation said: "Even as countries start to relax pandemic management measures, the full impact of COVID-19 on economies and businesses remains to be seen. To mitigate anticipated business impact from the pandemic's knock-on effects on the wider economy, we are focussed on strengthening our operating and management capabilities and efficiencies while taking steps to conserve cash."

As part of the Group's efforts to conserve cash resources, no interim dividend has been declared for 1H 2020. Added Mr Kong, "We seek our shareholders' understanding and continued support during these challenging times, as we act prudently to manage cash flow in view of the near to medium-term uncertainties resulting from the COVID-19 pandemic. In the long term, we remain confident in the fundamentals of our business and the resilience of our strategic asset classes."

For the purpose built student accommodation ("PBSA") segment, the Group believes that the education and student accommodation sector is resilient, and that pent-up demand will drive a fast recovery for PBSA properties once on-campus programmes and travel normalize. In the purpose built workers accommodation ("PBWA") business, the Group has been working closely with the government and employers to manage the migrant worker residents through the quarantine and movement restrictions period in Singapore. Our Westlite dormitories have been progressively cleared over the past few weeks except for 3 blocks, of which 2 blocks are set aside to house COVID-negative workers, being the group most vulnerable to the virus. In order to reduce risks to themselves and to the wider community, they are required to be placed under stricter quarantine and undergo further tests before being cleared to resume work. The Group expects all these blocks to be cleared by the middle of August 2020.

Centurion's management capabilities and strong track record in the PBWA sector puts it in good stead to participate in opportunities arising from upcoming regulatory changes in the PBWA industry.

In June 2020, Centurion has secured a management service contract from JTC Corporation ("JTC"), to manage approximately 4,000 beds across 3 sites in Singapore. Centurion will manage these sites (JTC



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Space @ Tuas Biomedical Park, JTC Space @ Gul and 28 Ayer Rajah Crescent) for a period of six months, with the option by JTC to extend for another six months.

Regarding the contract win, Mr Kong said: "Despite the pandemic situation, we continue to work hard to pursue new opportunities for the Group. Securing this management service contract from JTC is testament to our strong expertise and management track record, and we will continue to do more."

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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 Singapore, Australia, South Korea, the United Kingdom ("UK") and the United States ("US").

The Group owns and manages a strong portfolio of 33 operational accommodation assets totalling approximately 65,133 beds as of 30 June 2020. During the COVID-19 pandemic period, major development projects and asset enhancement works have been deferred. The Group's portfolio of accommodation assets is expected to grow to approximately 68,733 beds, following resumption of projects when the situation has normalized.

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 to become a leading provider of quality, purpose-built accommodation.

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

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