

**Centurion Corporation Limited**

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

PRESS RELEASE**For Immediate Release**

2H 2020 REVENUE DECLINES 11% YOY TO S\$61.8M 2H 2020 CORE BUSINESS PROFIT STABLE AT S\$20.3M

- 11% decline in 2H 2020 revenue due to lower workers' and students' occupancies resulting from Covid-19; Revenue in FY 2020 dips only 4% to S\$128.4 million as 1H 2020 revenue benefited from expansions with slight effects from Covid-19
- Net fair valuation records loss of S\$27.6 million in FY 2020, a reflection of the market conditions that has affected the industry, caused by the COVID-19 pandemic
- FY2020 PATNCI reduces 83% to S\$17.2 million primarily due to fair valuation adjustments; Excluding fair valuation adjustments, FY2020 PATNCI from core business operations up 8% to S\$41.3 million, benefiting from lower interest rates and COVID-19 reliefs received in 2H 2020

	Half Year Ended 31 December 2020			Full Year Ended 31 December 2020		
	2020 ("2H 2020") S\$'000	2019 ("2H 2019") S\$'000	Change %	2020 ("FY 2020") S\$'000	2019 ("FY 2019") S\$'000	Change %
Revenue	61,765	69,161	(11)	128,355	133,353	(4)
Gross Profit	41,532	49,942	(17)	89,599	96,936	(8)
Gross Margin	67%	72%	-5 pp	70%	73%	-3 pp
Profit After Tax Attributable to Equity Holders ("PATNCI")	(3,834)	81,884	N/M	17,171	99,951	(83)
Profit After Tax From Core Business Operations	23,421	23,024	2	47,306	43,582	9
PATNCI from Core Business Operations	20,315	20,165	1	41,320	38,232	8

Singapore and Hong Kong, 25 February 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 specialized accommodation assets, today announced its results for the half year ("2H 2020") and full year ended 31 December 2020 ("FY 2020").



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2H 2020 revenue reduced 11% year-on-year to S\$61.8 million, mainly due to lower occupancy across almost all the Group's entire portfolio. Financial occupancy in the PBWA segment in Singapore dropped to 79.1% as at 31 Dec 2020 amid de-densification efforts and lower migrant workers headcount as many returned home after the lockdown. The Group's student accommodation portfolio in the United Kingdom ("UK") and in Australia were also impacted by lease terminations, travel restrictions, and universities moving to online programmes.

FY 2020 Group revenue slipped 4% to S\$128.4 million from S\$133.4 million a year ago. Pressures on revenue from lower occupancy in 2H 2020 were moderated by the purpose-built workers accommodation ("PBWA") segment which registered a 6% growth in revenue to S\$91.5 million in FY 2020, due mainly to the full year contributions of Westlite Juniper in Singapore and Westlite Bukit Minyak in Malaysia, as well as revenue from operating assets newly secured in 2H 2020 in Singapore and Selangor, Malaysia.

In Singapore, the Group secured two tenders from JTC Corporation: the first for the management of three Factory-Converted Dormitories ("FCD") comprising approximately 4,000 beds, and secondly, a master lease to operate four Quick-Build-Dormitories ("QBD"). In Malaysia, the Group secured a 21-year master lease with a 9-year extension option from Selangor State Development Corporation to operate a PBWA in Selangor comprising 6,044 beds. Excluding the new dormitories added in FY 2020, the Group's PBWA portfolio average financial occupancy for FY 2020 was 86.5%.

The master leases and management contracts secured are in line with the Group's asset light strategy to deepen its offering of investment and property management services, to drive sustainable growth.

With the exception of the US, occupancies at the Group's PBSAs in all markets were impacted by slowing demand from international students amid the COVID-19 uncertainty and the policy measures that ensued such as travel restrictions and universities shifting to online curricula. The Group's largest PBSA in the UK and Australia both recorded declines in average financial occupancy, contributing to a 22% decline in PBSA segment revenue to S\$35.8 million in FY 2020 from S\$45.8 million in FY 2019.

During FY 2020, Centurion disposed of dwell Beechwood House in the UK and Desa Cemerlang in Malaysia. In China, the Group divested Shanghai Huade Photoelectron Science & Technology Co. Ltd, which owns an optical disc factory in Shanghai. In Singapore, the Group will not exercise the option to extend the lease of Dwell Selegie for the third and final phase of its 3+3+2 year lease. The current lease for dwell Selegie will expire in June 2021.

Separately, government grants and support schemes in response to COVID-19 received across all countries where the Group operates and gains on disposal of a subsidiary in China bolstered other income and gains to S\$4.8 million, while the low interest rate environment reduced finance expenses by 19% to S\$23.3 million and cost management measures to conserve cash reduced distribution and administrative expenses by 10% to S\$22.5 million.

The Group recorded net fair valuation losses of S\$27.6 million in FY 2020, a reflection of the market conditions caused by the COVID-19 pandemic as opposed to net fair valuation gains of S\$66.3 million recorded in FY2019. The net fair valuation loss in FY2020 amounted to approximately 2.1% of the Group's investment properties value, which stood at S\$1.3 billion as at 31 December 2020.



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As a result, the Group's PATNCI in FY 2020 is S\$17.2 million, a 83% reduction as compared to FY 2019. Excluding the impact of fair valuation adjustments, PATNCI from core business operations increased 8% from S\$38.2 million in FY 2019 to S\$41.3 million in FY 2020.

Commenting on the Group's performance and outlook, Mr Kong Chee Min (江志明), CEO of Centurion Corporation said: "The pandemic in FY 2020 has disrupted businesses globally. In this extraordinary year, the Group has focused on mitigating the impact of disruptions due to COVID-19 by enhancing management and operational efficiencies, managing costs and conserving cash. We have also rationalized our portfolio and taken opportunities, where sensible, to grow our Assets Under Management and revenue streams.

I am confident about the resilience of Centurion's portfolio of 35 quality operational assets, which are diversified across Singapore, Malaysia, South Korea and the global education hubs in the UK, the US and Australia. Given our operating assets' strategic locations, I believe occupancy and income are well-placed to benefit from the economic recovery in time to come."

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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 diversified portfolio of 35¹ operational accommodation assets with approximately 73,460 beds as at 31 December 2020. With projects currently under development and undergoing asset enhancement works, the Group's portfolio of accommodation assets is expected to grow to approximately 80,776 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 to become a leading provider of quality, purpose-built accommodation.

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

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¹ Excluding 2 QBDs, Westlite Tuas South Boulevard and Westlite Jalan Tukang



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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 Tuas South Boulevard (QBD)	-	628
	Westlite Jalan Tukang (QBD)	-	3,420
Total in Singapore		30,320	34,368
Malaysia	Westlite Tebrau	2,100	2,100
	Westlite Johor Tech Park	5,800	5,800
	Westlite Pasir Gudang	2,400	2,400
	Westlite Senai	2,600	2,600
	Westlite Tampoi	5,300	5,300
	Westlite Senai II	5,900	5,900
	Westlite Bukit Minyak	6,600	6,600
	Westlite – PKNS Petaling Jaya	6,044	6,044
	Westlite Tampoi II* (expected completion 2021)	-	3,600
Total in Malaysia		36,744	40,344
Total no. of beds for Workers Accommodation		67,064	74,712
Student Accommodation			
Singapore	dwell Selegie (lease will not be renewed upon expiry in June 2021)	332	-
	Total in Singapore		332
Australia	dwell Village Melbourne City	616	616
	dwell East End Adelaide	280	280
	Total in Australia		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 Towers on State	231	231
	dwell 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
South Korea	dwell Dongdaemun	208	208
	Total in South Korea		208
Total no. of beds for Student Accommodation		6,396	6,064
Total no. of beds		73,460	80,776

* Upon completion of Westlite Tampoi II construction in 2021

** 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

^ dwell Beechwood House was disposed in Dec 2020

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