Appendix 1

Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)
(Co. Reg. No.: 198401088W)

AGM to be held on 27 April 2021 - Responses to questions received from shareholders

Responses to questions received from shareholders

We have received a number of questions from shareholders ahead of the AGM. Some questions overlap and we will address such questions together to avoid repetition. Questions which have been addressed in our CEO's presentation will not be raised again here.

1) **How did the occupancy rates fare for the purpose-built workers accommodation (PBWA) and purpose-built student accommodation (PBSA) segments? What is the occupancy and revenue outlook going forward?**

Excluding Quick Build Dormitories (QBDs), the PBWA segment in Singapore achieved an average financial occupancy rate of 94% for FY 2020 with higher occupancy in the first half of the year. As at 31 December 2020, the financial occupancy stood at 79%.

We have also started managing 2,320 beds in two QBDs, for which occupancy is ramping up. Additionally, two more QBDs are expected to commerce operations in the second quarter of FY 2021.

Migrant worker population numbers in Singapore are expected to increase gradually in 2021, as the Government now allows employers to bring returning and new workers into Singapore, under strict quarantine and clearance regimes. Further, with the gradual recovery of the economy, more workers are expected to be brought in by employers.

For the PBWA segment in Malaysia, the average financial occupancy rate, excluding Westlite – PKNS Petaling Jaya which began operations in November 2020, was 80% for FY 2020.

The outlook for the PBWA segment in Malaysia is positive due to increasing enforcement of the Amendment to the Workers' Minimum Standards of Housing and Amenities Act[1] (WMSHAA). Malaysia is under-supplied for quality worker accommodation that meets the amended standards required under the act, so stronger enforcement would be positive for PBWAs.

[1] Today Online - Malaysia enforces requirement for improved worker accommodation to rein in Covid-19, 18 Feb 2021

Responses to questions received from shareholders

1) (Cont'd)

In the PBSA segment, with the exception of the US, the Group's PBSA occupancies were impacted by slowing demand amid COVID-19 uncertainty and policy measures such as travel restrictions and universities shifting to online curricula.

Our PBSAs in the UK and Australia have recorded declines in average financial occupancy. Our UK portfolio recorded an average financial occupancy of 70% for FY 2020. In Australia, dwell Village Melbourne City achieved an average financial occupancy of 45%, while dwell East End Adelaide recorded an average financial occupancy of 73%.

In terms of outlook, the UK maintains its standing as a leading global education market. The Higher Education Statistics Agency reported a 3% year-on-year rise in number of higher education students to 2.5 million in 2019/20[2]. In 2019/20, 22% of the total student population, or over 538,000 were from overseas. In February 2021, the UK Government reaffirmed its aims to recruit 600,000 international higher education students annually and increase education exports to £35 billion a year by 2030[3].

For Australia, prospects for student accommodation in the long term remain bright. In the next decade, the population aged 19 and younger will form around 35% of the total population in Australia, representing growing domestic demand for PBSAs. At the same time, PBSAs in Australia remain under-supplied, at 6% of total student population.

Given the strategic locations of the Group's PBWA and PBSA assets, we believe occupancy and revenue are poised to benefit as business and travel activities resume, together with the rollout of vaccines globally.

In the long term, we remain confident in the fundamentals of our business and the resilience of our PBWA and PBSA asset classes.

[2] HESA - Higher Education Student Statistics: UK, 2019/20 - Student numbers and characteristics, 27 Jan 2021

[3] UK Parliament House of Commons Library - International and EU students in higher education in the UK FAQs, 15 Feb 2021

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2) What is the ratio of PBWA and PBSA accommodation in Centurion portfolio by NAV?

As at 31 Dec 2020, PBWA assets constitute 65% and PBSA assets constitute 34% of the Group's NAV, with the balance being comprised of others/optical business.

3) Are there any plans to spin off the PBSA assets or to sell any of its wholly owned properties under a lease back and operate arrangement? Are there any plans for acquisitions?

Looking ahead, the Group will continue to explore opportunities to enlarge our assets under management, enhance asset yields and unlock value from our portfolio assets, and deliver sustainable returns for shareholders.

We continually explore ways to recycle capital and will take into consideration which options will best add value to our shareholders and investors. This may include mergers and acquisitions, IPO listings or setting up a REIT.

In terms of acquisitions, we will continually look for opportunities to expand our portfolio of revenue-generating assets, where strategic and sensible, including by prudent asset-light means.

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4) **What would Centurion see in terms of impact from the potential regulatory changes for PBWA operators in Singapore as a result of COVID-19?**

The COVID-19 pandemic has led the Singapore Government to review the regulatory specifications of Purpose-Built Dormitories, for enhanced living standards and better management of current and future pandemics.

Pilot specifications are currently being trialed within Quick Build Dormitories, and the Government is in the midst of conducting a holistic review of dormitory standards in consultation with various stakeholders such as public health experts, dormitory operators, employers, and migrant workers.

The government has stated[1] that it will balance the need to strengthen the resilience of dormitories against future public health outbreaks, with ensuring a stable supply of beds and competitive bed rental prices. Furthermore, MOM has stated that it would give dormitory operators "enough time" and consideration for "practicalities", to meet the new specifications to be announced.

The Group is actively engaged in ongoing dialogues with relevant Government authorities regarding these future specifications for permanent purpose-built dormitories, the related requirements for existing PBWAs, and government support for industry and businesses.

[1] The Straits Times – Dorm life one year on: More space in dorms, but migrant workers yearn to go out to relax

Responses to questions received from shareholders

5) **For the PBSA segment, when does Centurion expect the occupancy to improve? What are the steps taken by management?**

The UK government has announced plans for the lifting of movement restrictions and resumption of on-campus university programmes from mid May 2021. Barring changes to announced plans, demand for PBSA is expected to recover with Academic Year 2021/2022. We have begun to see gradual increases in enquiries and bookings.

In Australia, the situation remains uncertain as international students continue to face travel restrictions. However, domestic and international enrolments remain strong, signalling robust pent-up demand once travel restrictions are lifted and universities resume on-campus programmes.

In the meantime, Centurion is offering flexible leases to attract and retain lease commitments during the hiatus, as well as offering short-term leases to meet the needs of students arriving mid-term.

6) **What is Centurion's assessment of its debt? What is the impact of higher interest rate on Centurion's financials? How does Centurion plan to manage interest rate risks?**

As at 31 December 2020, the Group's Net Gearing ratio was 48%, a reduction from 51% as at 31 December 2019.

Of the S$755 million in debts, 31.8% were at fixed rates and 68.2% were at floating rates. For every 0.25% increase in interest rate, the Group's profit after tax would have been lower by S$1.1m.

The Group manages its interest rate exposure with a focus on balancing the Group's overall cost of debt and exposure to changes in interest rates. When considered appropriate after taking into consideration hedging premiums, the Group may purchase derivatives such as interest rate swaps to manage its interest rate exposure.

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7) **Malaysia has a bigger bed capacity than Singapore (36,744 beds versus 30,320) yet the PBWA revenue contribution from Malaysia is only 12% versus 88% from Singapore. Can the Management explain why the revenue % from Malaysia is so low?**

While portfolio bedcount of the Malaysian PBWA portfolio is larger, the underlying costs of the land and development of the Malaysian assets are significantly lower. Also the costs of business and operations are also significantly lower, alongside a larger currency exchange difference.

As a result, the Malaysian portfolio contributes a smaller proportion of Group revenues in SGD, while the margins are comparable between our Malaysian and Singapore PBWA assets.

8) **Will the company be taking on more debt to fund the building of the new blocks in Tampoi? What will be the additional debt required and how will this affect the Company's gearing ratio?**

The Asset Enhancement Initiative in developing 3 new blocks at Westlite Tampoi is funded by bank borrowings. The borrowings do not have a significant impact on the Group’s gearing ratio.

Responses to questions received from shareholders

9) **The optical disc business contributes less than 1% of revenue. Is Management actively seeking to divest this non core business?**

Prior to 2020, there had been residual demand for optical disc manufacturing and we continued to operate this business as long as it was profitable and cashflow generative.

During 2020, due to the COVID-19 pandemic, optical disc manufacturing further declined and the business became unprofitable. We have therefore decided to refocus this subsidiary to support dormitory operational needs from April 2021.

There is no significant value to be derived from divesting this non-core business.