



Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)

(Company Registration No. 198401088W)

TRANSITIONAL NEW STANDARDS FOR EXISTING DORMITORIES ANNOUNCED BY MINISTRY OF MANPOWER IN SINGAPORE; AND REDEVELOPMENT OF TWO (2) EXISTING PURPOSE-BUILT DORMITORIES OF THE GROUP

The Board of Directors (“Board”) of Centurion Corporation Limited (the “Company”, and together with its subsidiaries and associated companies, the “Group”) wishes to announce the following in response to changes in dormitory specifications announced by The Ministry of Manpower in Singapore (“Ministry” or “MOM”) on 11 October 2023:

(1) Transitional new standards for existing dormitories approved or operational before 18 September 2021

MOM has announced improved interim standards for existing Purpose-Built Dormitories (“PBDs”) to transit under the Dormitory Transition Scheme (“DTS”) by 2030 to strengthen resilience against future disease outbreaks and improve living conditions for dormitory residents. The improved interim standards (“IDS”) in the DTS closely mirror but are less comprehensive than the improved standards previously introduced by MOM for new dormitories approved after 18 September 2021 (“NDS”). Dormitories under the DTS will subsequently have to comply with NDS by 2040.

Key specification in the IDS include requirements for a maximum of 12 residents per apartment unit, living space of at least 3.6m² per resident, toilets and showers to be ensuite in the apartment units, and more stringent requirements in the isolation facilities of 1% of bed capacity at normal times and 1.5% to be stood up during public health outbreaks.

The Ministry has also specified that under the DTS, vast majority of existing dormitories have a period of four (4) years between 2027 and 2030, beginning three (3) years from now, to transit to the new IDS. Furthermore, MOM is considering the provision of financial support to partially defray the costs to be incurred by dormitory operators for retrofitting existing buildings to meet the IDS.

(2) The Group’s Westlite Accommodation in Singapore

The Group currently operates a portfolio of nine (9) Purpose-Built Worker Accommodation (“PBWA”) comprising 34,786 beds in Singapore. Of the nine (9) PBWA, four (4) are Quick Build Dormitories (“QBDs”) comprising 7,256 beds, which already met the higher NDS specifications. The remaining five (5) are PBDs with a bed capacity of 27,530 beds that require retrofitting to meet the IDS. None of these PBDs has leases expiring in 2033 or earlier which is exempted by MOM under the DTS. This excludes a sixth new 1,650-bed PBD at Ubi Avenue 3 that the Group is currently developing which will meet the higher NDS specifications and is expected to be completed in 2025.



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All five (5) operational Westlite PBDs already meet some of the newly announced DTS requirements, in that all apartment units are already equipped with ensuite toilets, showers and kitchens. Retrofitting works would be required to meet other specifications in the DTS, such as alteration of the rooms, amenity space and increasing isolation facilities.

(3) Partial redevelopment of Westlite Toh Guan and Westlite Mandai (45% owned by the Group)

At the same time, the Group has plans in place for partial redevelopment of two (2) existing PBDs of the Group, namely, Westlite Toh Guan and Westlite Mandai (collectively, the “Redevelopments”), sitting on a long leasehold land and a freehold land, respectively. This would add to the Group’s portfolio bed capacity with new blocks and units meeting the higher NDS specifications.

The Group has received Provisional Permissions for the Redevelopments from the relevant authorities and aims to substantially complete and deliver the added dormitory bed supply to the market ahead of the transition period beginning in 2027. This would enable the Group to commence progressive retrofitting of other parts of its PBDs, with minimal reduction of its total bed capacity and disruptions of dormitory bed supply to our customers.

The aggregate cost for the Redevelopments is estimated at S\$250 million. The Redevelopments works for Westlite Toh Guan (100% owned) will be carried out progressively over 2 phases with phase 1 and phase 2 estimated to cost S\$50 million and S\$100 million respectively. Redevelopment works for Westlite Mandai (45% owned), which entails adding a new block, is estimated to cost S\$100 million, of which the estimated cost attributable to the Group is S\$45 million.

Depending on the details and the extensiveness of the retrofitting for each of the five (5) PBDs, which the Company would determine in consultation with the relevant authorities, and the planned redevelopments of Westlite Toh Guan and Westlite Mandai, the Group estimates a reduction of between 3% to 11% of its total PBD bed capacity in Singapore (excluding the sixth new PBD being developed at Ubi Avenue 3 and QBDs) by the transition period ending 2030.

The Redevelopments will be funded by internal resources and bank borrowings. The Redevelopments and retrofitting works for Westlite PBDs are not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Company for the financial year ending 31 December 2023.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above-mentioned transactions, save for their shareholdings (if any) in the Company.



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The Company will make further announcements on the Redevelopment and retrofitting works for Westlite PBDs as and when appropriate and/or required.

By Order of the Board

Kong Chee Min
Chief Executive Officer

11 October 2023