



CHINA
DEVELOPMENT
FINANCIAL

Centurion Corporation Limited (CENTS SP)

Site visit to ASPRI-Westlite Papan and Dwell Selegie

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- We visited two of Centurion’s properties in Singapore, a purpose-built workers accommodation (PBWA) development, ASPRI-Westlite Papan and Dwell Selegie, a purpose-built student accommodation property (PBSA).
- Centurion remains to be the only locally listed company focusing on foreign worker and student accommodation.
- Centurion is currently trading at 3 year historical low P/E of 4.5x and offers a decent dividend yield of 4.8%.

Site visit. Centurion is the only locally listed company focusing on specialised accommodation with a focus on foreign worker and student accommodation. Centurion’s portfolio currently consist of 31 operating assets with a total bed count of 62,656 beds across Singapore, Malaysia, Australia, US, UK and South Korea. Centurion owns and directly manages both the Westlite brand and the Dwell brand which represents their PBWA and PBSA businesses respectively. We visited two of centurion’s properties, ASPRI-Westlite Papan (PBWA) and Dwell Selegie (PBSA).

Figure 1: Centurion’s geographical exposure based on bed count



Source: Company, KGI Securities

ASPRI-Westlite Papan. Westlite Papan is strategically located in Jalan Papan, a 12 minutes’ drive away from Jurong Island. The asset consists of two 18-story blocks with a total capacity of 7900 beds. The average occupancy for the property was above 95% as of end FY18. Most of the workers housed in ASPRI-Westlite Papan works in the energy and chemical industry on Jurong Island. As a joint venture project, Centurion Corporation holds a 51% stake in this property, with the remaining stake held by the Lian Beng Group.

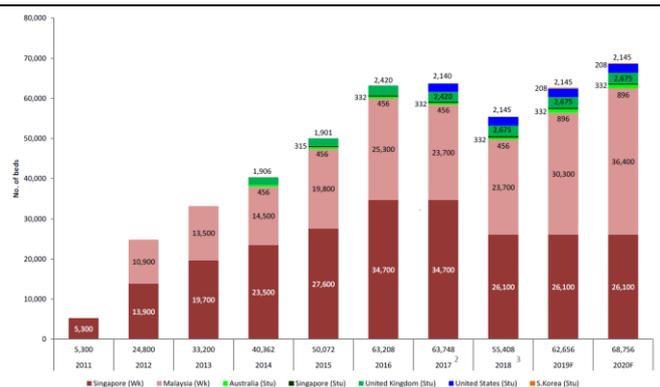
Dwell Selegie. Dwell Selegie is located at Short Street and is within close proximity to several campuses including LASELLE College of the Arts, Singapore Management University, Kaplan and Nanyang Academy of Fine Arts (NAFA). Dwell Selegie houses 355 student accommodation beds with an average occupancy of 89% last year. Two education institutions serve as anchor tenants for this property, leasing

Not Rated		Performance (Absolute)	
Price as of 31 May 19 (SGD)	0.42	1 Month (%)	-3.5
12M TP (\$S)	-	3 Month (%)	4.9
Previous TP (\$S)	-	12 Month (%)	-9.5
Upside, incl div (%)	-		
Trading data		Perf. vs STI Index (Red)	
Mkt Cap (\$mn)	349		
Issued Shares (mn)	841		
Vol - 3M Daily avg (mn)	0.2		
Val - 3M Daily avg (\$mn)	0.1		
Free Float (%)	26.67		
Major Shareholders		Previous Recommendations	
Centurion Properties	53.0%	-	
Teo Peng Kwang	7.6%		
Lian Beng Group	4.5%		

approximately half of the total bed count. Dwell Selegie has a residual tenure of about 4 years (3+3+2 years), effective from 2015. Management communicated that this was the reason why extensive renovations was not done at Dwell Selegie (as compared to Dwell branded accommodations abroad).

Future bed supply pipeline remains strong. Bed counts in the PBWA segment will see contributions from two Malaysian PBWA properties - Westlite Bukit Minyak (MY) and Westlite Juru (MY) in FY19 and FY20 respectively.

Figure 2: Forecasted future bed supply pipeline by segment



Source: Company, KGI Securities

Valuation & Action: We do not have coverage of Centurion Corporation. Nonetheless, Centurion had been paying out consistent ordinary dividends of at least 2 Scts for the past 3 years, translating to a decent dividend yield of 4.8%.

Risks: Forex risk remains a key risk as 37% of FY18’s reported revenue was derived overseas (Euro, RM and AUD). Higher interest expense may continue to reflect in the coming quarters due to Centurion’s debt/total assets ratio of 53%.

ASPRI-Westlite Papan

Figure 3: Face recognition turnstile system and identification card system at the entrance of ASPRI-Westlite Papan



Source: KGI Securities

Figure 4: Exterior of ASPRI-Westlite Papan



Source: KGI Securities

Figure 5: One of the sick bays within ASPRI-Westlite Papan



Source: KGI Securities

Figure 6: Common living spaces in a 16 bed unit includes cooking and cleaning facilities including a full size refrigerator



Source: KGI Securities

Figure 7: Each room consists of 4 double decker beds with an individual storage cabinet for each foreign worker



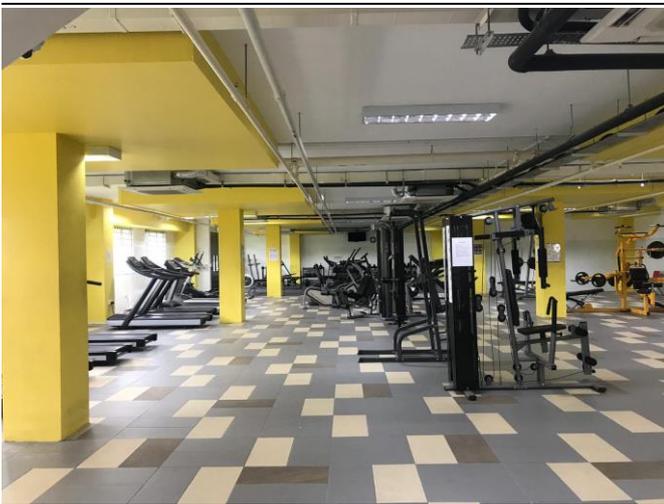
Source: KGI Securities

Figure 8: Common area – Sports court



Source: KGI Securities

Figure 9: Common area – air-conditioned gym facility



Source: KGI Securities

Figure 10: Common area – games room



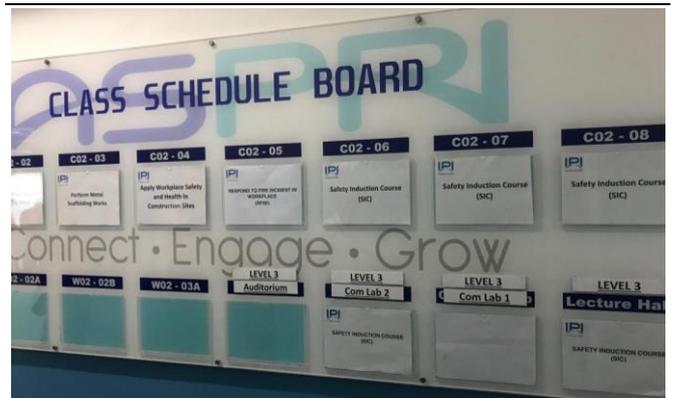
Source: KGI Securities

Figure 11: Healthcare facilities – onsite clinic supported by NGOs



Source: KGI Securities

Figure 12: Training schedule conducted by the Association of Process Industry (ASPRI); training facilities such as computer labs are a short walk away from the dormitory blocks



Source: KGI Securities

Figure 13: Common area - Canteen



Source: KGI Securities

Figure 14: Onsite supermarket operated by Ajmal where groceries, clothing and other necessities can be purchased



Source: KGI Securities

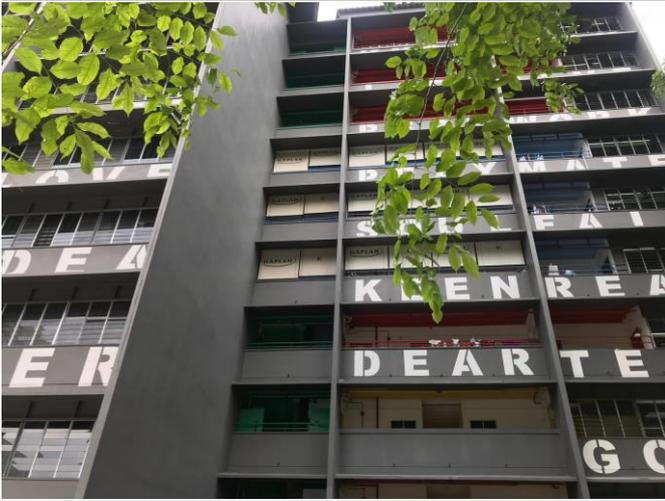
Figure 15: Remittance kiosk operated by Western Union and a POSB atm can be accessed for basic financial transactions



Source: KGI Securities

Dwell Selegie

Figure 16: Exterior of Dwell Selegie



Source: KGI Securities

Figure 18: Common dining area



Source: KGI Securities

Figure 17: Three-bed student accommodation room



Source: KGI Securities

Figure 19: Mini gym situated along the corridor area



Source: KGI Securities

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