



Centurion Corporation Limited

(Company Registration No. 198401088W)

PRESS RELEASE
For Immediate Release

CENTURION CORP REPORTS STELLAR 1Q 2015 RESULTS DRIVEN BY STRONG PERFORMANCE FROM ITS ACCOMMODATION BUSINESS

- Revenue up by 44% Y-o-Y to S\$25.3 million for 1Q 2015
- Successful expansion into the student accommodation business accounted for 64% of revenue growth
- Net profit from its core business operations recorded even stronger growth of 66% to reach S\$9.2 million in 1Q 2015

First Quarter Ended 31 March			
	2015 (1Q 2015) S\$'000	2014 (1Q 2014) S\$'000	Increase / Decrease %
Revenue	25,281	17,559	44%
Gross Profit	17,210	11,059	56%
Gross Margin	68%	63%	5pp
Net Profit from core business operations	9,203	5,542	66%
Net Profit	9,203	22,835*	-60%

* Includes one-off gain of S\$17.3 million from the sale of industrial factory units in 1Q 2014

Singapore, 11 May 2015 - Centurion Corporation Limited (胜捷企业有限公司) (“Centurion”, the “Company”, or together with its subsidiaries, the “Group”) has achieved stellar performance for its first quarter ended 31 March 2015 (“1Q 2015”), recording a solid 44%, or S\$7.7 million, year-on-year growth in revenue to S\$25.3 million. This growth was mainly driven by the Group’s Accommodation Business, which saw a 56%, or S\$8.5 million, increase in revenue.

Overall, net profit from Centurion’s core business operations grew even stronger than revenue at 66% to reach S\$9.2 million in 1Q 2015.

Centurion’s expansion into the student accommodation market in Australia and the United Kingdom in February and September respectively last year contributed 64%, or approximately S\$5.5 million, to the revenue growth in the Group’s Accommodation Business. The strong contribution of the new student accommodation assets signifies the Group’s successful strategy to expand its earnings base beyond workers accommodation business.



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The remaining increase of about S\$3.0 million in revenue in the Group's Accommodation Business was mainly contributed by the improvement in occupancy rates across Centurion's workers accommodation assets and the expanded bed capacity at Westlite Toh Guan. Occupancy rates at the Group's workers accommodation assets in Malaysia had continued to improve, while Westlite Tampoi successfully obtained its Temporary Occupancy Permit and began operations in January 2015 with a healthy take-up rate.

The Group's optical disc business, on the other hand, experienced a slight decline of S\$0.8 million in revenue due to continued weakening of demand for physical optical disc media. Nonetheless, it remains cash flow accretive and contributed S\$1.5 million to the Group's total revenue in 1Q 2015.

The strong performance of its Accommodation Business drove the Group's gross profit up by 56%, from S\$11.1 million in 1Q 2014 to S\$17.2 million in 1Q 2015, and its gross profit margin improved from 63% to 68% year-on-year.

Mr Kong Chee Min, (江志明), CEO of Centurion Corporation Limited said, "We are pleased to continue to deliver yet another strong set of results this quarter. Our move to expand into the student accommodation segment has paid off, and we are confident that our accommodation business will continue to drive a positive growth trajectory moving forward."

In 1Q 2015, share of the results of associated companies decreased by S\$17.2 million, as the Group recorded a one-off gain of S\$17.3 million from the sale of industrial factory units at M-Space, an industrial development in 1Q 2014. As a result of the absence of one-off gain in the current quarter, the Group's total net profit after tax for 1Q 2015 declined from S\$22.8 million in 1Q 2014 to S\$9.2 million in 1Q 2015.

Overall, the Group generated a positive cash flow of S\$14.8 million from operating activities before working capital changes, a 91% hike from S\$7.8 million in 1Q 2014. With active debt and capital management, the Group generated a net operating cash flow surplus of S\$6.7 million for 1Q 2015, which was a fourfold increase compared to the S\$1.5 million generated for 1Q 2014.

Cash and cash equivalents as at the end of 31 March 2015 stood at S\$58.1 million, a decrease of S\$14.6 million primarily due to the acquisition and development of ASPRI-Westlite Dormitory – Papan. The Group's gearing ratio is 57%, but the five times interest cover continues to be adequate and is within the Group's interest cover threshold. Given the strong and stable operating cashflow, the Group has sufficient debt headroom for further growth and expansion.

Positive Business Outlook in 2015

The overall outlook for the Group's Accommodation Business remains positive, supported by stable demand for both its workers and student accommodation across Singapore, Malaysia, Australia and the United Kingdom. With the completion of Westlite Tampoi, which added 5,300 beds to the portfolio in Malaysia in January 2015, and the expected completion of Westlite Woodlands in Singapore with 4,100 beds in 3Q 2015, the Group is on track to achieve continued growth in its core business in 2015.



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In Singapore, the Group is optimistic that its three operational assets will continue to achieve high occupancy rates in 2015. The Group has a pipeline to deliver growth when Westlite Woodlands and ASPRI-Westlite Dormitory – Papan with a total of 12,000 beds are completed in 3Q 2015 and mid-2016 respectively.

While a number of new workers accommodation with a total of about 30,000 beds have come onto the Singapore market over the last couple of months, the impact from this new supply of beds on the Group's workers accommodation assets has been minimal.

In Malaysia, with more companies recognising the Group's proven track record and capabilities in providing well-managed accommodation, occupancy and rental rates will continue to enjoy steady growth. The construction of Westlite Senai II with 5,500 beds is on track and expected to be completed in 4Q 2015.

In Australia, RMIT Village has strengthened its competitive position with the refurbishment of its rooms in January 2015, and is expected to operate at close to full occupancy in the 2015 academic year. In the United Kingdom, the Group's four student accommodation assets are also operating at close to full occupancy in the current 2014/15 academic year.

Given the healthy demand of purpose-built student accommodation in both markets, the Group's student accommodation is expected to perform well and contribute positively to the Group's earnings.

"While the Group continues to strengthen its operational capabilities, it will selectively explore opportunities in both existing and new markets to further grow its accommodation business. As the Group continues to grow regionally, the Board has also taken steps to strengthen the Board with new expertise and greater independence to ensure that management decisions are made in the best interests of shareholders," added Non-Executive Chairman Mr Wong Kok Hoe.

In a separate announcement dated today, the Group has announced that Mr Loh Kim Kang David and Mr Han Seng Juan will join Centurion's Board of Directors as Non-Executive Directors. Mr Loh and Mr Han are the Group's controlling shareholders and hold an aggregate of 55.34% stake in the Group. At the same time, Mr Kong and Mr Tony Bin, Executive Director of the Group's Accommodation Business, will step down from the Board and remain in the executive management team. In line with good corporate governance practices, this latest restructuring is a move towards separating the management from the Board, which will now comprise three Non-Executive Directors and two Independent Directors.

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ABOUT CENTURION CORPORATION LIMITED

Centurion Corporation Limited, formerly known as SM Summit Holdings Limited, owns and operates workers and student accommodation assets, as well as a storage disc manufacturing business. Its workers accommodation assets are managed under the Westlite brand and its student accommodation assets are managed under the Centurion Student Living brand.

In Singapore, the Group has a current capacity of 23,500 beds across three workers accommodation assets in Toh Guan, Tuas and Mandai as at 31 March 2015. Westlite Woodlands, with 4,100 beds, is under construction and is expected to be completed in 3Q 2015. ASPRI-Westlite Dormitory – Papan, its fifth project with 7,900 beds, is under construction and is expected to be completed in 2016.

In Malaysia, the Group has a current capacity of 19,800 beds across six workers accommodation assets in Johor. Westlite Senai II with 5,500 beds is under construction and expected to be completed in 4Q 2015. Two projects under planning, Westlite Bukit Minyak, with 5,000 beds is expected to be completed in 2016 and Westlite Juru, with 12,000 beds is expected to be completed in two phases in 2017 and 2018.

The Group has a student accommodation asset with 456 beds in Melbourne, Australia. In the United Kingdom, the Group has a portfolio of four student accommodation assets with a total of 1,906 beds.

The Group expects to increase its overall portfolio from 45,662 beds at present to over 74,100 by the end of 2017.

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

MEDIA CONTACTS

For more information on Centurion Corporation Limited, please contact:

Kreab

Chin May Nah / Melissa Woon

+65 6339 9110

cent@kreab.com

APPENDIX
Centurion Corporation Limited's Asset Portfolio (as at 31 March 2015)

Location	Facility	Current Capacity (no. of beds)	Expected Capacity (no. of beds)
Singapore	Westlite Toh Guan	8,600	8,600
	Westlite Mandai	6,300	6,300
	Westlite Tuas	8,600	8,600
	Westlite Woodlands <i>(expected completion 3Q 2015)</i>	-	4,100*
	ASPRI-Westlite Dormitory – Papan <i>(expected completion mid-2016)</i>	-	7,900*
	Total in Singapore	23,500	35,500
Malaysia	Westlite Tebrau	2,500	2,500
	Westlite Johor Tech Park	5,800	5,800
	Westlite Desa Cemerlang	1,600	1,600
	Westlite Pasir Gudang	2,000	2,000
	Westlite Senai	2,600	2,600
	Westlite Tampoi	5,300	5,300
	Westlite Senai II <i>(expected completion 4Q 2015)</i>	-	5,500*
	Westlite Bukit Minyak <i>(expected completion 2016)</i>	-	5,000*
	Westlite Juru <i>(Ph 1 expected completion 2017)</i>	-	6,000*
	Total in Malaysia	19,800	36,300
Australia	RMIT Village	456	456
	Total in Australia	456	456
U.K.	Manchester Student Village	1,022	1,022
	Manchester Student Village South	355	355
	The Grafton	145	145
	Cathedral Campus	384	384
	Total in U.K.	1,906	1,906
Total no. of beds		45,662	74,162

* upon completion of construction between 2015 to 2017 respectively