



Centurion Corporation Limited

(Company Registration No. 198401088W)

PRESS RELEASE

For Immediate Release

CENTURION CORP'S CORE BUSINESS OPERATIONS POST 14% GROWTH IN NET PROFIT TO S\$35.6 MILLION

- Achieves 24% growth in revenue to reach S\$104.5 million in FY2015
- The Group's diversified workers and student accommodation assets continue to generate strong operating cash flow of S\$60.4 million, a 27% increase from FY2014
- Declares final dividend of 1.0 cent per ordinary share, resulting in a total dividend of 1.5 cents per ordinary share for FY2015

	Fourth Quarter Ended 31 December			Full Year Ended 31 December		
	2015 (4Q 2015) S\$'000	2014 (4Q 2014) S\$'000	Change %	2015 (FY2015) S\$'000	2014 (FY2014) S\$'000	Change %
Revenue	28,288	26,105	8%	104,538	84,443	24%
Gross Profit	18,028	17,285	4%	68,820	55,784	23%
Gross Margin	64%	66%	-2pp	66%	66%	0pp
Net Profit After Tax	7,589 [#]	72,920 [*]	(90)%	33,979 [#]	111,150 [^]	(69)%
Net Profit from Core Business Operations	9,196	10,120	(9)%	35,586	31,119	14%

[#] includes net fair value gain of S\$3.2 million and write down of investment of S\$4.8 million in an associated company

^{*} includes net fair value gain of S\$62.8 million in FY2014

[^] includes net fair value gain of S\$62.8 million as well as one-off gain of S\$17.3 million from the sale of industrial factory units in FY2014

Singapore, 23 February 2016 – Centurion Corporation Limited (胜捷企业有限公司) (“Centurion”, or together with its subsidiaries, the “Group”), which owns, develops and manages quality accommodation assets, has concluded its financial year ended 31 December 2015 (“FY2015”) with its core business operations posting a 14% year-on-year growth in net profit to reach S\$35.6 million.

Driven by the continued expansion of its accommodation business in Singapore and overseas, the Group achieved a 24% growth in revenue to reach a record S\$104.5 million in FY2015, compared to S\$84.4 million in the same period last year (“FY2014”).

“The Group has delivered another year of stable performance brought about by our portfolio of diversified accommodation assets across various countries. Through active management, our workers and student accommodation assets continued to generate strong and stable cash flows in FY2015. Operationally, we have also strengthened our market position and reputation as a leading player in the accommodation industry,” said Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited.



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To reward shareholders, the Board has recommended a final dividend of 1.0 Singapore cent per share. Together with the interim dividend of 0.5 Singapore cent per share, this brings the total dividend declared in FY2015 to 1.5 Singapore cents per share.

In FY2015, the Group's accommodation business registered a 30% rise in revenue, which stemmed largely from its successful expansion into the student accommodation business, expanded bed capacity in the workers accommodation portfolio and Westlite Woodlands commencing operations in July 2015. As at 31 December 2015, the Group has a strong portfolio of 16 operational workers and student accommodation assets totaling 50,072 beds.

Due to the absence of one-off and similar level of fair valuation gains, the Group's net profit decreased 69% to S\$34.0 million from S\$111.2 million in FY2014. In FY2014, there was a net fair value gain of S\$62.8 million as well as a one-off gain of S\$17.3 million from the sale of industrial factory units at M-Space. Excluding the one-off and fair value gains, and the write down of investment in an associated company, the net profit after tax derived from the Group's core business recorded healthy growth to S\$35.6 million in FY2015, driven by its accommodation operations.

The Group's operational accommodation assets continued to generate stable and strong operating cash flow of S\$60.4 million in FY2015, a 27% increase from S\$47.4 million in FY2014. With active debt and capital management policies in place, the Group's balance sheet remains robust with S\$138.4 million cash and cash equivalents. The Group also has adequate debt headroom, with a long term bank debt maturity profile averaging 12 years, to ensure sustainable growth in the long run.

Meanwhile, the Group's optical disc business experienced a decrease in revenue by 37% due to continued weak demand from its customers for physical optical disc media and the scaling down of the Group's Indonesian plant starting September 2015, which eventually ceased manufacturing operations on 31 December 2015. Nonetheless, the optical disc business contributed a net profit of S\$0.4 million and cash flow of S\$0.6 million to the Group in FY2015.

Workers Accommodation – Staying Competitive to Meet Long-term Demand

The Group maintains its positive outlook on the long-term demand for purpose-built workers accommodation in Singapore, underpinned by the government's vision to provide foreign workers with quality accommodation and conducive living environment.

Despite the softening of the Singapore economy and increase in supply of beds in purpose-built dormitories expected to come into the market progressively this year, the Group remains positive on its workers accommodation business, given its strong leadership position and established reputation in the market.

With a total of 27,600 beds across four operating workers accommodation in Singapore, the Group has achieved close to full occupancy in three out of four of them, namely Westlite Toh Guan, Westlite Mandai and Westlite Tuas. Westlite Woodlands, which opened in the third quarter of 2015, has already secured over 50% occupancy, with ramping up efforts currently underway. With the slowdown in the marine and oil and gas sectors, the occupancy for Westlite Woodlands is expected to take longer than the usual six to nine months to ramp up.



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In Malaysia, the overall occupancy rates for the Group's assets continued to stay healthy, although we have recently experienced some softening due to the slowdown in Malaysia's manufacturing sector. Employers are also facing challenges in retaining and recruiting foreign workers partly due to the weaker ringgit. To overcome these challenges, companies in the manufacturing sector are currently exploring various options to further diversify their source of recruitment for foreign workers.

The Group remains confident of its market position as a first-mover in the workers accommodation business in Malaysia, and of the potential of Malaysia staying as a key manufacturing location in the region. To further diversify its business, the Group has also expanded beyond Johor to Penang which is another important manufacturing hub for multi-national companies.

Looking ahead, the Group will look to bolster its position in Singapore and Malaysia, by keeping a close watch on the political, social and economic landscape to identify new market opportunities. To stay relevant and strengthen its portfolio, the Group will continue to develop niche and innovative propositions to improve its offerings to end customers. Its upcoming ASPRI-Westlite Papan, for example, collaborates with the Association of Process Industry to incorporate an industrial training facility within its premises, which can equip foreign workers with useful job functional skills to improve productivity.

In the Group's pipeline, there are approximately 19,000 more beds expected from the completion of ASPRI-Westlite Papan in mid-2016, and Westlite Bukit Minyak and Westlite Juru in Malaysia in 2017 and 2018, respectively. Coupled with the ramping up of occupancy at Westlite Woodlands in Singapore, as well as Westlite Senai II in Malaysia which was recently completed in January 2016, the Group believes it is well-positioned to sustain a stable performance and maintain its position in the market.

Student Accommodation – Broadening and Diversifying Earnings Base

The Group's diversification into student accommodation has successfully broadened the Group's earnings, with strong showings in its assets in both the United Kingdom ("UK") and Australia, given the continued growth in tertiary education enrolments in both regions. This diversification of its business has extended to Singapore, with the opening of CSL Selegie in October 2016.

For the 2016 academic year, the Group is expected to achieve close to full occupancy for its 456 beds in Melbourne, Australia, and 1,901 beds across its four assets in Manchester and Liverpool, UK.

According to The Universities and Colleges Admissions Service, the 2015/16 cycle was another record year for UK higher education, with the highest number of acceptances recorded in any cycle, for the third year running. The QS World Ranking for Best Student Cities 2015 has also placed Melbourne as the second best student city. The overall outlook for the Group's student accommodation business remains strong, underpinned by the attractive location of its assets and strong demand for quality purpose-built student accommodation in the educational hubs of Australia and the UK.

In Singapore, the Group is ramping up its marketing efforts for the newly opened CSL Selegie, which is expected to achieve healthy occupancy within six to twelve months of operation. This student hostel is situated in a prime location, a short distance from key



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transport facilities and other amenities, and within walking distance of various educational institutions such as Singapore Management University, LASALLE College of the Arts, Nanyang Academy of Fine Arts, Kaplan City Campuses at Wilkie Edge and PoMo, and Education First.

Commenting on the Group's outlook, Mr Kong said, "Notwithstanding the mixed challenges in the workers accommodation industry, we believe Centurion is well-placed among our peers to maintain our position in the market. The overall occupancy rates for our assets are expected to remain relatively healthy, given the competitive strengths of our accommodation assets and our strong management team. Our successful diversification into the student accommodation business in 2014 has broadened the Group's revenue stream across more countries and industries. We will continue to evaluate asset enhancement opportunities and selectively explore opportunities for strategic expansion in existing and new markets."

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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 capacity of 27,600 beds across four workers accommodation assets in Toh Guan, Tuas, Mandai and Woodlands as at 31 December 2015. ASPRI-Westlite Papan, its fifth workers accommodation project with 7,900 beds, is under construction and is expected to be completed in mid-2016.

In Malaysia, the Group has a capacity of 19,800 beds across six workers accommodation assets in Johor as at 31 December 2015. Construction of Westlite Senai II with 5,500 beds was recently completed in January 2016. Two projects under planning, Westlite Bukit Minyak, with 5,000 beds is expected to be completed in 2017 and Westlite Juru, with 6,100 beds is expected to be completed in 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 1,901 beds. The Group also operates a 315-bed student accommodation along Selegie Road in Singapore, refurbishment of which was completed in October 2015.

The Group expects to increase its overall portfolio from 50,072 beds as at 31 December 2015 to over 74,500 beds by the end of 2018.

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



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APPENDIX

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

Location	Facility	Current Capacity (no. of beds)	Expected Capacity (no. of beds)
Workers Accommodation			
Singapore	Westlite Toh Guan	8,600	8,600
	Westlite Mandai	6,300	6,300
	Westlite Tuas	8,600	8,600
	Westlite Woodlands	4,100	4,100
	ASPRI-Westlite Papan <i>(expected completion mid-2016)</i>	-	7,900*
	Total in Singapore	27,600	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>(completed in January 2016)</i>	-	5,500*
	Westlite Bukit Minyak <i>(expected completion 2017)</i>	-	5,000*
	Westlite Juru <i>(expected completion 2018)</i>	-	6,100*
	Total in Malaysia	19,800	36,400
Total no. of beds for Workers Accommodation		47,400	71,900
Student Accommodation			
Singapore	CSL Selegie	315	315
	Total in Singapore	315	315
Australia	RMIT Village	456	456
	Total in Australia	456	456
U.K.	Manchester Student Village	1,017	1,017
	Manchester Student Village South	355	355
	The Grafton	145	145
	Cathedral Campus	384	384
	Total in U.K.	1,901	1,901
Total no. of beds for Student Accommodation		2,672	2,672
Total no. of beds		50,072	74,572

* Upon completion of construction between 2016 to 2018 respectively