



Centurion Corporation Limited

(Company Registration No. 198401088W)

PRESS RELEASE

For Immediate Release

CENTURION CORP RECORDS 9% GROWTH IN GROUP REVENUE IN 2Q 2016

- Reports 2Q 2016 net profit of S\$8.4 million against group revenue of S\$28.7 million
- Revenue growth mainly contributed by the Group's diversified workers and student accommodation business which grew 13% year-on-year
- Continued stable operating performance and cashflow
- Declares interim dividend of 1.0 Singapore cent per ordinary share

	Second Quarter Ended 30 June			Half Year Ended 30 June		
	2016 (2Q 2016) S\$'000	2015 (2Q 2015) S\$'000	Change %	2016 (1H 2016) S\$'000	2015 (1H 2015) S\$'000	Change %
Revenue	28,700	26,391	9%	57,371	51,672	11%
Gross Profit	18,933	17,246	10%	38,263	34,456	11%
Gross Margin	66%	65%	+1 pp	67%	67%	-
Net Profit After Tax	8,429	9,827	(14)%	17,774	19,030	(7)%
Net Profit Attributable to Equity Holders	8,857	9,838	(10)%	18,222	19,271	(5)%

Singapore, 12 August 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 recorded a stable 9% growth in revenue to S\$28.7 million for the second quarter ended 30 June 2016 (“2Q 2016”), as compared to S\$26.4 million in the corresponding period last year (“2Q 2015”). This revenue growth was mainly due to contributions from the Group's diversified assets in workers and student accommodation, which grew 13% year-on-year.

In tandem with the higher group revenue, Centurion's gross profit increased by 10% from S\$17.2 million in 2Q 2015 to S\$18.9 million in 2Q 2016, as gross profit margin grew by 1 percentage point to 66% for the second quarter.

The Group's net profit after tax dipped by about 14% to S\$8.4 million in 2Q 2016, due to higher finance costs which had increased by S\$2.5 million as a result of the Group's expansion initiatives. This included additional interest costs for the S\$65 million Multicurrency Medium Term Note issued in July 2015, as well as financing costs for newly developed workers accommodation assets such as Westlite Woodlands, Westlite Senai II and ASPRI-Westlite Papan.

Excluding the Group's non-controlling interest of 49% in ASPRI-Westlite Papan, net profit after tax attributable to the equity holders of the Company would be higher at S\$8.9 million.



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For the first half ended 30 June 2016 (“1H 2016”), the Group recorded a net profit of S\$17.8 million on the back of a 11% growth in revenue to S\$57.4 million, due to the continued expansion of the Group’s accommodation business.

“Amid the challenging global economy, the Group managed to produce another quarter of stable performance. With the opening of ASPRI-Westlite Papan workers accommodation in Singapore in May 2016 and recent acquisition of four more student accommodation assets in the UK, coupled with positive results from our existing workers and student accommodation business, we are confident that we can maintain positive growth and deliver long-term value for our shareholders,” said Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited.

To reward shareholders on a half-yearly basis, the Board has declared an interim dividend of 1.0 Singapore cent per share.

Continued Growth in its Accommodation Business

The Group’s accommodation business continues to deliver growth through its well diversified workers and student accommodation assets. Despite the headwinds faced in the global economy, especially in the marine, oil and gas sectors, the Group performed significantly better than its competitors.

During the quarter, the Group’s workers accommodation assets in Singapore continued to record positive revenue growth, and mitigated the decline in revenue from the workers accommodation assets in Malaysia which had experienced softening average occupancy rates, largely due to the slowdown in the manufacturing sector and unclear foreign worker policy.

In Singapore, Westlite Woodlands, which commenced operations in July 2015, recorded an occupancy rate of close to 80% as at 30 June 2016. Its newly operational asset, ASPRI-Westlite Papan, which commenced operations in May 2016, is currently ramping up its occupancy. Excluding ASPRI-Westlite Papan, the Group’s other four existing workers accommodation assets in Singapore performed well in 2Q 2016 with high average occupancy rates of approximately 95%.

In Malaysia, the Group has seen occupancy rates across its seven operating workers accommodation assets soften to just over 60%, attributed largely to the nationwide hiring freeze of foreign workers imposed by the Malaysian government, slowdown in the manufacturing sector and the weaker ringgit which reduces Malaysia’s attractiveness to foreign workers to work in the country.

In recent years, the Group diversified into the student accommodation business and revenue continued to grow year-on-year to S\$8.2 million in 2Q 2016, largely due to additional revenue contributions from CSL Selegie which commenced operations in October 2015, and positive rental reversions from the Group’s student accommodation business in Australia and the United Kingdom (“UK”).

The Group’s diversification into the student accommodation business, across six assets in the UK, Australia and Singapore, has continued to contribute positively to its revenue and profit. In July 2016, the Group acquired another four UK student accommodation assets in



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Manchester, Bristol and Newcastle, adding 519 student beds to its portfolio, bringing the total number of beds in purpose-built student accommodation operated by the Group to 3,208 beds.

Following the result of the European Union referendum vote in the UK, the student accommodation market is expected to remain robust, given the undersupply of purpose-built student accommodations and continued demand for higher education in the UK. The weakened sterling pound will likely attract more international students as studying in the quality UK education system would be relatively cheaper.

The outlook for the Group's accommodation business remains focused on the long-term demand for workers accommodation in Singapore and Malaysia, and exploring greater opportunities in asset enhancement and expansion of its student accommodation portfolio in new and existing markets.

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ABOUT CENTURION CORPORATION LIMITED

Centurion Corporation 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 35,500 beds across five workers accommodation assets in Toh Guan, Tuas, Mandai, Woodlands, Jalan Papan as at 30 June 2016. ASPRI-Westlite Papan, its fifth workers accommodation project with 7,900 beds, was completed and operational in May 2016.

In Malaysia, the Group has a capacity of 25,700 beds across seven workers accommodation assets in Johor as at 30 June 2016. Two projects under planning, Westlite Bukit Minyak, with 5,000 beds and Westlite Juru, with 6,100 beds are both 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, with the expected addition of another four assets with 519 beds. The Group also operates a 332-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 63,889 beds as at 30 June 2016 to over 75,500 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 30 June 2016)

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	7,900	7,900
	Total in Singapore	35,500	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	5,900	5,900
	Westlite Bukit Minyak <i>(expected completion 2018)</i>	-	5,000*
	Westlite Juru <i>(expected completion 2018)</i>	-	6,100*
	Total in Malaysia	25,700	36,800
Total no. of beds for Workers Accommodation		61,200	72,300
Student Accommodation			
Singapore	CSL Selegie	332	332
	Total in Singapore	332	332
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
	Beechwood House	-	37^
	Weston Court	-	140^
	Hotwells House	-	157^
	Garth Heads	-	185^
	Total in U.K.	1,901	2,420
Total no. of beds for Student Accommodation		2,689	3,208
Total no. of beds		63,889	75,508

* Upon completion of construction between 2016 to 2018 respectively

^ Completion of acquisition on 1 July 2016