



Centurion Corporation Limited

(Company Registration No. 198401088W)

PRESS RELEASE

For Immediate Release

CENTURION CORP DELIVERS 14% GROWTH IN 3Q 2016 REVENUE TO S\$28.1 MILLION

- Achieves 3Q 2016 net profit of S\$7.4 million, driven by the Group's workers and student accommodation businesses
- Remains focused on ramping up occupancy rates of existing assets and exploring strategic investment and asset enhancement opportunities

	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2016 (3Q 2016) S\$'000	2015 (3Q 2015) S\$'000	Change %	2016 (9M 2016) S\$'000	2015 (9M 2015) S\$'000	Change %
Revenue	28,130	24,578	14%	85,501	76,250	12%
Gross Profit	16,884	16,336	3%	55,147	50,792	9%
Gross Margin	60%	66%	-6 pp	64%	67%	-3 pp
Net Profit After Tax	7,402	7,360	1%	25,176	26,390	(5)%
Net Profit Attributable to Equity Holders	7,816	7,347	6%	26,038	26,618	(2)%

Singapore, 14 November 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 delivered a stable set of financial results for the third quarter ended 30 September 2016 (“3Q 2016”).

Revenue in 3Q 2016 grew 14% year-on-year to S\$28.1 million, driven by the Group's workers accommodation assets in Singapore, in particular Westlite Woodlands and ASPRI-Westlite Papan which commenced operations in May 2016. Its student accommodation business also contributed positive top-line growth during the quarter.

Gross profit increased marginally by 3% to reach S\$16.9 million in 3Q 2016, mainly due to the increase in costs incurred by ASPRI-Westlite Papan and CSL Selegie. With newly-opened ASPRI-Westlite Papan operating at a loss during this initial occupancy ramp-up phase, coupled with lower operating profit margin for CSL Selegie, gross profit margin declined from 66% to 60%.

In line with the Group's expansion initiatives, finance costs rose by S\$1.1 million due to the financing of ASPRI-Westlite Papan and the acquisition of four new student accommodation assets in the United Kingdom (“UK Braemar”) in July 2016. As a result, the Group's net profit after tax in 3Q 2016 increased marginally by 1% to S\$7.4 million, compared to the same period last year.



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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 6% higher at S\$7.8 million.

The Group's balance sheet remains healthy with strong operating cash flow and cash and bank balances of S\$116.3 million. In October 2016, the Group announced that it had redeemed in full its Multicurrency Medium Term Series 1 Notes of S\$100 million.

"The Group continues to deliver healthy profits and cash flow despite the challenging operating environment. Our overall portfolio occupancy rates in Singapore and Malaysia are above market average and we are working hard to ramp up the occupancy of our latest asset, ASPRI-Westlite Papan. The student accommodation sector remains a bright spot, attracting institutional investors and sovereign wealth funds looking for stable yields. We have seen positive rental reversions for our assets in the UK and Australia, and continue to be on the lookout for selective investment opportunities," said Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited.

Strengthening and Diversifying its Accommodation Business

The Group's workers accommodation business produced another quarter of positive results, registering a year-on-year revenue growth of 18% in 3Q 2016. The Group's assets in Toh Guan, Mandai and Tuas performed well, maintaining higher-than-average occupancy rates of over 95% as at 30 September 2016. At the end of the reporting quarter, Westlite Woodlands' occupancy rate has improved to c.76% since it opened in July 2015, while ASPRI-Westlite Papan achieved an occupancy rate of close to 40% at the end of its first four months of operation.

Following an unsuccessful appeal over the bed capacity in Westlite Toh Guan, the Group will reduce the bed capacity of this asset to 7,820 beds, with effect from 4 November 2016.

In Malaysia, although revenue declined marginally year-on-year due to the softening of average occupancy rates to over 65% in 3Q 2016 (including Westlite Senai II, which commenced operations in January this year), occupancy rates have improved compared to the preceding 2Q 2016 average occupancy rate of c.61%. As at 30 September 2016, the portfolio of seven workers accommodation assets in Malaysia registered a healthy occupancy rate of c.70%, largely attributed to the Malaysian government showing signs of relaxing the hiring freeze of foreign workers in certain sectors, including manufacturing.

With the Group's concerted efforts to diversify and grow its student accommodation business, this segment saw revenue increasing to S\$6.5 million in 3Q 2016. This was on the back of the UK Braemar acquisitions in July 2016, positive rental reversions for its other UK and Australia assets which are running at close to full occupancy, as well as CSL Selegie's improved occupancy rate which reached c.95% as at 30 September 2016. During the quarter, the Group completed refurbishment and upgrading works at three assets in Manchester to further enhance yields.

Notwithstanding the economic and industry headwinds, the Group remains optimistic in maintaining its market position in the workers accommodation sector in Singapore and Malaysia, given the quality and strategic location of its assets and long-term demand for PBWA. The prospects for its student accommodation business are also buoyant with its UK assets operating at close to full occupancy for the 2016/17 academic year and its Australian



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asset experiencing a positive momentum in its re-booking process for the 2017 academic year. The Group will continue to focus on improving occupancy rates of existing assets and exploring strategic investment and asset enhancement opportunities.

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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 had a capacity of c.35,500 beds¹ across five workers accommodation assets in Toh Guan, Tuas, Mandai, Woodlands, Jalan Papan as at 30 September 2016. ASPRI-Westlite Papan, its fifth workers accommodation development with 7,900 beds, was completed in May 2016.

In Malaysia, the Group had a capacity of c.25,700 beds across seven workers accommodation assets in Johor as at 30 September 2016. Two projects under planning, Westlite Bukit Minyak, with c.5,000 beds, and Westlite Juru, with c.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 eight student accommodation assets with a total of 2,420 beds, including the recent addition of four assets with 519 beds in July 2016. The Group also operates a 332-bed student accommodation along Selegie Road in Singapore.

The Group expects to increase its overall portfolio from c.64,408 beds¹ as at 30 September 2016 to approximately 74,700 beds by the end of 2018.

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

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¹ With effect from 4 November 2016, due to the reduction in Westlite Toh Guan's total capacity by c.800 beds to c.7,800 beds, the total capacity for the Group's accommodation portfolio and the Group's Singapore workers accommodation portfolio will be revised to c.63,600 beds and c.34,700 beds respectively.

APPENDIX
Centurion Corporation Limited's Asset Portfolio (as at 30 September 2016)

Location	Facility	Current Capacity (approx no. of beds)	Expected Capacity (approx no. of beds)
Workers Accommodation			
Singapore	Westlite Toh Guan	8,600	7,800 [^]
	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	34,700
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	71,500
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	37
	Weston Court	140	140
	Hotwells House	157	157
	Garth Heads	185	185
	Total in U.K.	2,420	2,420
Total no. of beds for Student Accommodation		3,208	3,208
Total no. of beds		64,408	74,708

[^] With effect from 4 November 2016, Westlite Toh Guan's capacity has been reduced to c.7,800 beds

* Upon completion of construction in 2018