



Centurion Corporation Limited

(Company Registration No. 198401088W)

PRESS RELEASE

For Immediate Release

CENTURION CORP RECORDS 15% GROWTH IN FY2016 REVENUE TO S\$120.3 MILLION

- Net profit from core business operations grew 8% year-on-year to S\$38.4 million due to higher contributions from the accommodation business
- New dynamic brand name **dwell Student Living** (“dwell”) launched on 22 February 2017 to bring the Group’s student accommodation business to greater heights
- The Board has recommended a final dividend of 1.0 Singapore cent per share, bringing total dividend for FY2016 to 2.0 Singapore cents

	Fourth Quarter Ended 31 December			Full Year Ended 31 December		
	2016	2015	Change %	2016	2015	Change %
	(4Q 2016) S\$'000	(4Q 2015) S\$'000		(FY 2016) S\$'000	(FY 2015) S\$'000	
Revenue	34,787	28,288	23%	120,288	104,538	15%
Gross Profit	23,256	18,028	29%	78,403	68,820	14%
Gross Margin	67%	64%	3 pp	65%	66%	-1 pp
Net Profit After Tax	9,897	7,589	30%	34,811	33,979	2%
Net Profit From Core Business Operations	13,448	9,196	46%	38,362	35,586	8%

Singapore, 1 March 2017 – 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 robust set of financial results for the full year ended 31 December 2016 (“FY2016”), as net profit from its core business operations grew 8% year-on-year to S\$38.4 million on the back of a 15% year-on-year growth in revenue to S\$120.3 million.

In line with the Group’s double-digit revenue growth, gross profit grew 14% year-on-year to S\$78.4 million in FY2016, largely driven by the continual expansion of the Group’s workers and student accommodation businesses. Gross profit margin, however, declined marginally from 66% in the year before (“FY2015”) to 65% in FY2016, mainly due to the newly-opened ASPRI-Westlite Papan workers accommodation asset which is currently ramping up its occupancy.

During the year, finance costs increased by S\$5.4 million, mainly due to the additional interest costs for financing the expanded accommodation businesses such as ASPRI-Westlite Papan and Westlite Woodlands. These costs were, however, offset by the interest cost saved from the full redemption of the S\$100 million Multicurrency Medium Term Notes (“MTN”) in October 2016.



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In addition, the Group's investment properties comprising workers and student accommodation assets were also fair valued as at 31 December 2016, and this resulted in a fair valuation loss of S\$3.1 million in FY2016, as compared to a S\$3.6 million fair valuation gain in FY2015.

Excluding the fair value loss/gain on investment properties and one-off write down of investment in an associated company in FY2015, net profit after tax derived from the Group's core business operations grew 8% from S\$35.6 million in FY2015 to S\$38.4 million in FY2016, largely due to the contribution of the accommodation business, while the optical disc business broke even for the full year.

As at year end, the Group's balance sheet remains healthy with S\$82.5 million of cash and bank balances.

"The Group's diversified portfolio of workers and student accommodation assets across multiple geographies has delivered another year of respectable results and added value to our shareholders. Despite the challenging environment in 2016, we have continued to achieve above-average occupancy rates which has generated higher revenues, as well as stable profits and operating cash flow. In FY2017, we will continue to actively manage our accommodation assets to further strengthen our position as one of the leading players in the workers and student accommodation industry," said Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited.

To reward shareholders, the Board has recommended a final dividend of 1.0 Singapore cent per share. Together with the interim dividend of 1.0 Singapore cent per share paid on 7 September 2016, this brings the total dividend payout for FY2016 to 2.0 Singapore cents per share.

Healthy Growth from Diversified Accommodation Business

As at 31 December 2016, the Group operated a diversified portfolio of 22 workers and student accommodation assets comprising approximately 63,208 beds across four countries. Moving forward, the Group will focus on maximising its occupancy rates, while selectively explore opportunities for strategic investments and asset enhancement.

During the year, Centurion's workers accommodation business continued to provide the Group with the stable base of revenue and profits, as this segment registered a year-on-year revenue growth of 19%. The Group's five workers accommodation assets in Singapore performed well, maintaining higher-than-average occupancy rates of approximately 94% as at 31 December 2016, compared to industry peers providing purpose-built workers accommodation ("PBWA").

In Malaysia, the Group's portfolio of seven workers accommodation assets registered a healthy occupancy rate of approximately 70%, as the Group aims to build on its first-mover advantage in Malaysia and the long-term demand for quality PBWA.

The occupancy rate in the fourth quarter of 2016 has also improved since the Malaysian government relaxed its initial hiring freeze imposed on foreign workers from certain sectors, including the manufacturing sector which is amongst the Group's target market. The Group also completed asset enhancement works in Westlite Tebrau, and refurbished the asset to offer an improved apartment-style concept with approximately 2,100 beds.



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New Dynamic Student Accommodation Brand - *dwell*

As the Group continues to grow its student accommodation business to diversify and broaden its earnings base, this segment saw a year-on-year revenue growth of 18%, which was largely attributed to the positive rental reversions from the Group's Australia and United Kingdom ("UK") student accommodation assets which are running at close to full capacity, and revenue from the four newly acquired UK Braemer assets.

As part of the Group's continuous efforts to strengthen its operational capabilities for the student accommodation business, all of the Group's student accommodation assets across Singapore and UK are now operating under a new energetic and dynamic brand name - ***dwell*** - which was launched in Manchester on 22 February 2017.

The launch of ***dwell*** marks the coming-of-age for the Group as an owner and manager of quality student accommodation assets. With ***dwell*** as a cornerstone of the Group's growth plans for the student accommodation business, Centurion will continue to strengthen its management capabilities and grow this business segment through acquisitions, organically or provision of third-party management services.

Tapping on Positive Market Developments

In spite of global economic headwinds, the Group is confident in maintaining its market position in the workers accommodation business in Singapore and Malaysia, underpinned by policies that could potentially favour the PBWA sector. Similarly, with most of the Group's student accommodation assets operating at close to full capacity, the Group's outlook for this resilient business segment remains positive.

As part of its asset enhancement initiative, the Group has finalised its plans to develop a new accommodation block in RMIT Village, Australia. Given the healthy demand for purpose-built student accommodation in Melbourne, when completed, the asset is expected to perform well and contribute positively to the Group's earnings.

"With Centurion's strong track record in managing workers accommodation assets, coupled with our successful diversification into student accommodation business, we are cautiously optimistic of our business prospects for the year ahead. We will remain on the lookout for asset enhancement and investment opportunities in our commitment to continue delivering value to all our stakeholders," added Mr Kong.

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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 **dwell** brand.

In Singapore, the Group had a capacity of approximately 34,700 beds across five operating workers accommodation assets in Toh Guan, Tuas, Mandai, Woodlands, Jalan Papan as at 31 December 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 approximately 25,300 beds across seven operating workers accommodation assets in Johor as at 31 December 2016. Two projects under planning, Westlite Bukit Minyak, with approximately 6,600 beds, and Westlite Juru, with approximately 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 approximately 63,208 beds as at 31 December 2016 to approximately 75,908 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 2016)

Location	Facility	Current Capacity (approx no. of beds)	Expected Capacity (approx no. of beds)
Workers Accommodation			
Singapore	Westlite Toh Guan	7,800 [^]	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	34,700	34,700
Malaysia	Westlite Tebrau	2,100 ["]	2,100 ["]
	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 (expected completion 2018)	-	6,600 [*]
	Westlite Juru (expected completion 2018)	-	6,100 [*]
	Total in Malaysia	25,300	38,000
Total no. of beds for Workers Accommodation		60,000	72,700
Student Accommodation			
Singapore[#]	dwel Selegie	332	332
	Total in Singapore	332	332
Australia	RMIT Village	456	456
	Total in Australia	456	456
UK[#]	dwel MSV	1,017	1,017
	dwel MSV South	355	355
	dwel The Grafton	145	145
	dwel Cathedral Campus	384	384
	dwel Beechwood House	37	37
	dwel Weston Court	140	140
	dwel Hotwells House	157	157
	dwel 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		63,208	75,908

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

["] Following refurbishment works, Westlite Tebrau's capacity has been reduced to approximately 2,100 beds

^{*} Upon completion of construction in 2018

[#] The Group's student accommodation assets in UK and Singapore will operate under **dwel** from 22 February 2017