



Centurion Corporation Limited
(Company Registration No. 198401088W)

PRESS RELEASE
For Immediate Release

CENTURION CORP POSTS PROFIT OF S\$11.1 MILLION FOR 2Q 2018

- *Improved performance and contribution by ASPRI-Westlite Papan and Malaysia portfolio*
- *Enlarged UK student accommodation portfolio with the acquisition of 121 Princess Street*
- *In preparation for the establishment of second student accommodation private fund*
- *The Board has declared an interim dividend of 1.0 Singapore cent per share*

	Second Quarter Ended 30 June 2018			Half Year Ended 30 June 2017		
	2018 ("2Q 2018") S\$'000	2017 ("2Q 2017") S\$'000	Change %	2018 ("1H 2018") S\$'000	2017 ("1H 2017") S\$'000	Change %
Revenue	30,374	35,248	-14%	60,476	71,269	-15%
Gross Profit	22,012	25,656	-14%	43,567	49,607	-12%
Gross Margin	72%	73%	-1 pp	72%	70%	+2 pp
Net Profit After Tax	11,063	11,505	-4%	21,552	23,239	-7%
Net Profit After Tax from Core Business Operations*	11,063	15,050	-26%	21,552	28,502	-24%
Net Profit from Core Business Operations Attributable to Equity Holders*	9,767	13,673	-29%	18,896	26,115	-28%

Singapore, 7 August 2018 – Centurion Corporation Limited (胜捷企业有限公司) ("Centurion" or the "Company"; SGX stock code: OU8; SEHK stock code: 6090; and together with its subsidiaries, the "Group"), which owns and manages quality accommodation assets, today announced its results for the second quarter ("2Q 2018") and half year ("1H 2018") ended 30 June 2018.

The Group's revenue for 2Q 2018 was lower year-on-year ("Y-O-Y") by 14% to S\$30.4 million, largely attributable to the expiry of the lease on Westlite Tuas ("Tuas") in Singapore which ceased operations in December 2017. The decrease in revenue was partially offset by a better performance at the Group's workers accommodation in Malaysia which achieved an overall occupancy of 93% in 1H 2018, along with increased bed rents. In addition, ASPRI-Westlite Papan, the Group's newest Singapore asset, achieved close to full occupancy for 1H 2018. Despite the decline in revenue, the Group sustained a gross profit margin of 72%, in line with the comparative period.

Net profit after tax declined by 4% Y-O-Y to S\$11.1 million for 2Q 2018. Included in the net earnings of 2Q 2017 were one-off items such as professional fees of S\$1.4 million incurred for the dual primary listing on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK") in December 2017, net fair valuation gain of S\$0.5 million on investment properties and asset held for sale and deferred tax provision of S\$2.7 million arising from a fair valuation gains of workers and student accommodation assets for the purpose of the dual listing on the SEHK.

**exclude one-off items*



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Excluding these one-off items, the Group's profit from core business operations decreased from S\$15.1 million in 2Q 2017 to S\$11.1 million in 2Q 2018, while profit from core business operations attributable to equity holders declined by 29% to S\$9.8 million due mainly to the absence of revenue from Tuas.

For the first half ended 30 June 2018, the Group recorded 28% decline in net profit from core business operations attributable to equity holders at S\$18.9 million, while its revenue was 15% lower at S\$60.5 million. Despite an overall decline in performance for 1H 2018, the Group reported improved gross profit margin of 72% from 70% a year ago amidst improved occupancy rates and beds rents in ASPRI-Westlite Papan and workers accommodation in Malaysia, while its student accommodation business continued to deliver steady performance.

To reward shareholders, the Board of Directors has declared an interim dividend of 1.0 Singapore cent per ordinary share for Singapore shareholders (equivalent to 5.73 Hong Kong cents per ordinary share for Hong Kong shareholders).

Commenting on the Group's performance and outlook, Mr Kong Chee Min (江志明), CEO of Centurion Corporation said: "We remain focused on improving the performance and expanding the portfolio of our workers and student accommodation assets to generate sustainable and recurring revenue streams. Though performance was lower due to the absence of Tuas' contribution, our existing portfolio of assets continued to do well in 1H 2018. Excluding the revenue contribution from Tuas, revenue saw a slight growth of 2% or S\$1.4 million whereas profits declined by S\$0.4 million for 1H 2018 largely due to higher administration expenses incurred in anticipation of the expansion of business operations."

New dwell Princess Street acquisition in the United Kingdom completed

During the quarter, the Company announced the acquisition of 121 Princess Street (dwell Princess Street), a premium accommodation asset offering high-quality housing primarily for students within the popular UK university city of Manchester. The acquisition, which was completed in July 2018, would further entrench dwell's presence in Manchester.

Exploring the establishment of a potential second student accommodation private fund

"Our asset light strategy through the US private fund had started to bear fruits and contributed positively to our interim results. We are replicating this strategy to enlarge our total assets under management for student accommodation, in existing as well as emerging key education hubs in Europe and Asia. The Group is seeking potential investors in preparation for the establishment of our second student accommodation private fund," added Mr Kong.

Looking ahead, the Group will continue to explore selective acquisition opportunities, strengthen its operational capabilities as well as pursue alternative growth prospects and new asset types to achieve sustainable growth.

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About Centurion Corporation Limited

Centurion Corporation Limited (“Centurion” or the “Company” and together with its subsidiaries, the “Group”) owns and manages quality, purpose-built workers accommodation assets in Singapore and Malaysia, and student accommodation assets in Singapore, Australia, the United Kingdom (“UK”) and the United States (“US”).

The Group currently owns and manages a strong portfolio of 27 operational accommodation assets totalling c.55,274 beds (inclusive of dwell Princess Street). With projects currently under development and undergoing asset enhancement works, the Group’s portfolio of accommodation assets is expected to grow to c.68,414 beds by FY2020.

With global reach and a clear growth strategy to actively enhance and manage its assets, identify strategic acquisitions and joint ventures, as well as develop customised accommodation management services, Centurion is well positioned to become a leading provider of quality, purpose-built accommodation.

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 2018)

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 Woodlands	4,100	4,100
	ASPRI-Westlite Papan	7,900	7,900
	Total in Singapore	26,100	26,100
Malaysia	Westlite Tebrau	2,100	2,100
	Westlite Johor Tech Park	5,800	5,800
	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>	-	6,600*
	Westlite Juru <i>(expected completion 2020)</i>	-	6,100*
	Total in Malaysia	23,700	36,400
Total no. of beds for Workers Accommodation		49,800	62,500
Student Accommodation			
Singapore	dwel Selegie	332	332
	Total in Singapore	332	332
Australia	RMIT Village	456	616 [”]
	dwel Adelaide <i>(expected completion 2018)</i>	-	280 [^]
	Total in Australia	456	896
U.K.	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	181	181
	dwel Princess Street**	127	127
Total in U.K.	2,543	2,543	
U.S.#	dwel Towers on State	231	231
	dwel Statesider	226	226
	dwel Logan Square	640	640
	dwel Tenn Street	624	624
	dwel Stadium View	216	216
	dwel College & Crown	206	206
Total in U.S.	2,143	2,143	
Total no. of beds for Student Accommodation		5,474	5,914
Total no. of beds		55,274	68,414

* Upon completion of construction in 2018 (Westlite Bukit Minyak) and 2020 (Westlite Juru)

[^] Upon completion of construction and development in 4Q 2018

[”] Upon completion of asset enhancement programme in 4Q 2018

** The acquisition of dwel Princess Street was completed on 16 July 2018.

Centurion Overseas Investments Pte. Ltd., currently holds approximately 28.7% of the total number of units in the Centurion US Student Housing Fund, which acquired all 6 US properties