



Centurion Corporation Limited

(Company Registration No. 198401088W)

PRESS RELEASE

For Immediate Release

CENTURION CORP MAINTAINS STABLE PERFORMANCE IN 3Q 2015 WITH S\$7.4 MILLION NET PROFIT

- 3Q 2015 revenue rose 18% year-on-year to S\$24.6 million, underpinned by healthy growth in the Group's student and workers accommodation businesses
- Continued to generate strong operating cash flow of S\$43.1 million in 9M 2015, a 38% increase from 9M 2014
- Active management of diversified portfolio, coupled with healthy pipeline of new assets, to sustain future growth

	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2015 (3Q 2015) S\$'000	2014 (3Q 2014) S\$'000	Change %	2015 (9M 2015) S\$'000	2014 (9M 2014) S\$'000	Change %
Revenue	24,578	20,899	18%	76,250	58,338	31%
Gross Profit	15,852	14,428	10%	50,308	38,499	31%
Gross Margin	64%	69%	-5pp	66%	66%	0pp
Net Profit After Tax	7,360	7,917	(7)%	26,390	38,230	(31)%
Net Profit from Core Business Operations	7,360	7,917	(7)%	26,390	20,999*	26%

* excludes one-off gain of S\$17.3 million from the sale of industrial factory units in 9M 2014

Singapore, 6 November 2015 – 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, continued to deliver a stable performance for its third quarter financial results ended 30 September 2015 (“3Q 2015”).

Group revenue in 3Q 2015 increased by a healthy 18% year-on-year to reach S\$24.6 million, underpinned by the Group's Accommodation Business which registered a 21% rise in revenue to S\$23.5 million from S\$19.4 million in the same period last year (“3Q 2014”).

On the back of the higher turnover, the Group's 3Q 2015 gross profit rose in tandem by 10% to S\$15.9 million. Due to seasonal effects of summer holidays in its student accommodation business in the United Kingdom (“UK”) and overall higher financing cost, the Group's net profit after tax derived from its core business operations dipped 7% from S\$7.9 million in 3Q 2014 to S\$7.4 million in 3Q 2015.



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Commenting on the Group's 3Q 2015 financial results, Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited said, "3Q 2015 was another steady quarter for the Group, supported by a broader earnings base across diversified assets and geographies. Our stable performance demonstrates the resilience of our diversified core operations and we will continue to focus on executing our growth strategies across markets."

The positive growth in revenue from the Accommodation Business stemmed largely from the Group's student accommodation portfolio in the UK, expanded bed capacities from the completion of Westlite Tampoi in Malaysia early this year and Westlite Woodlands in Singapore in July 2015, as well as higher rental rates in its workers accommodation portfolio. The Group has successfully maintained a steady expansion momentum, with a total of 49,762 workers and student beds as at 30 September 2015, compared to 40,362 in the corresponding period last year.

On a nine-month basis, the Group's revenue rose 31% from S\$58.3 million in 9M 2014 to S\$76.3 million in 9M 2015, with the revenue from its Accommodation Business growing 38% year-on-year. Excluding a one-off gain of S\$17.3 million from the sale of industrial factory units at M Space in 9M 2014, the net profit after tax derived from the Group's core business operations recorded a strong growth of 26% to S\$26.4 million in 9M 2015.

In 9M 2015, the Group continued to generate stable and strong operating cash flow of S\$43.1 million, a 38% increase from S\$31.3 million in 9M 2014. With active debt and capital management policies in place, the Group generated a net operating cash flow surplus of S\$13.0 million (after deducting income tax paid, interest and loan principal repayments) for 9M 2015. The Group's balance sheet also remains robust with S\$141.4 million cash and cash equivalents.

Workers Accommodation – Active Portfolio Management and Prudent Expansion

The Group believes that the long-term demand for quality workers accommodation in Singapore and Malaysia is expected to remain healthy and resilient. Although the softening economy and slow-down in selected business sectors in Singapore may temporarily slow down the take-up rate of dormitory beds, positive efforts by the Singapore government to house foreign workers in purpose built dormitories and the continued investment in public infrastructure and construction projects bode well for the Group.

Despite the new supply of dormitory beds in the market, the Group's dormitories in Toh Guan, Mandai and Tuas are operating at close to full occupancy. Occupancy rates are expected to be healthy, given their strategic locations.

With the slowdown in the marine and oil and gas sectors, the ramp-up in the occupancy of Westlite Woodlands is expected to take longer than usual. Nonetheless, the Group is optimistic of achieving good occupancy for its 4,100 beds in FY2016. Its fifth dormitory in Singapore, ASPRI-Westlite Dormitory - Papan with 7,900 beds, is expected to be completed in mid-2016 and will start contributing to the Group's earnings in FY2016.

In Malaysia, the Group expects the occupancy and rental rates of its 19,800-bed workers accommodation portfolio to remain stable. Westlite Senai II, with construction of 5,500 beds targeted to complete in 1Q 2016, is expected to start contributing to the Group's earnings in



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FY2016. Together with the expected completion of Westlite Bukit Minyak with 5,000 beds in 2017, the Group will have some 30,000 worker beds in Malaysia by FY2017.

“The workers accommodation industry in Singapore will be in transition over the next two years as the market continues to adjust to the new supply coming on-stream. Nonetheless, Centurion, with our proven operational capabilities in managing workers accommodation, is well positioned to overcome any potential headwinds. Besides focusing our efforts on driving the performance of the Group’s existing assets, we also have a healthy pipeline of developmental projects that would generate earnings growth for the next few years. With the stable earnings from our student accommodation portfolio, as well as our active management to grow overall portfolio occupancy and rental rates, the Group is on track to achieve continued growth in its core business in FY2015 and beyond,” added Mr Kong.

Student Accommodation – Diversified and Stable Earnings Stream

The Group’s strategic decision to diversify into student accommodation has paid off in terms of providing an additional recurring earnings stream for the Group. Its five student accommodation with 2,362 beds in Australia and the UK continued to operate at close to full occupancy during the current academic year.

In the United Kingdom, almost all the 1,906 beds distributed across four student accommodation assets in Manchester and Liverpool have been booked for the new 2015/16 academic year. Similarly, RMIT Village in Australia is expected to operate at close to full occupancy for the 2016 academic year.

Overall, the Group’s student accommodation portfolio is anticipated to continue to perform well for the coming academic year. The strong demand for quality purpose built student accommodation in the educational hubs of Australia and United Kingdom is a positive trend for the Group, as it continues to grow its assets and build its operational capability in this sector.

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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 current capacity of 27,600 beds across four workers accommodation assets in Toh Guan, Tuas, Mandai and Woodlands as at 30 September 2015. ASPRI-Westlite Dormitory – Papan, its fifth project with 7,900 beds, is under construction and is expected to be completed in 2016.

In Malaysia, the Group has a current capacity of 19,800 beds across six workers accommodation assets in Johor. Westlite Senai II with 5,500 beds is under construction and expected to be completed in 1Q 2016. Two projects under planning, Westlite Bukit Minyak, with 5,000 beds is expected to be completed in 2017 and Westlite Juru, with 12,000 beds is expected to be completed in two phases in 2017 and 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 1,906 beds. The Group also recently won a tender to operate a 315-bed student accommodation along Selegie Road in Singapore, refurbishment of which is expected to complete in 4Q 2015.

The Group expects to increase its overall portfolio from 49,762 beds at present to over 74,400 by the end of 2017.

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

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APPENDIX
Centurion Corporation Limited's Asset Portfolio (as at 30 September 2015)

Location	Facility	Current Capacity (no. of beds)	Expected Capacity (no. of beds)
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
	CSL Selegie <i>(expected completion of refurbishment in 4Q 2015)</i>	-	315*
	ASPRI-Westlite Dormitory – Papan <i>(expected completion mid-2016)</i>	-	7,900*
	Total in Singapore	27,600	35,815
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>(expected completion 1Q 2016)</i>	-	5,500*
	Westlite Bukit Minyak <i>(expected completion 2017)</i>	-	5,000*
	Westlite Juru <i>(Ph 1 expected completion 2017)</i>	-	6,000*
	Total in Malaysia	19,800	36,300
Australia	RMIT Village	456	456
	Total in Australia	456	456
U.K.	Manchester Student Village	1,022	1,022
	Manchester Student Village South	355	355
	The Grafton	145	145
	Cathedral Campus	384	384
	Total in U.K.	1,906	1,906
Total no. of beds		49,762	74,477

* upon completion of construction / refurbishment between 2015 to 2017 respectively