



Centurion Corporation Limited

(Company Registration No. 198401088W)

PRESS RELEASE

For Immediate Release

CENTURION CORP DELIVERS ANOTHER QUARTER OF STRONG PERFORMANCE WITH 28% GROWTH IN 2Q 2015 NET PROFIT

- 2Q 2015 net profit after tax of S\$9.8 million driven by its Accommodation Business which saw a 40% growth in revenue to reach S\$24.9 million
- Generate stable and strong operating cash flow before working capital changes of S\$29.3 million in 1H 2015, a 53% increase over corresponding period last year
- Plan to pay dividend on half-yearly basis; declare interim dividend of 0.5 Singapore cent per share for 1H 2015

	Second Quarter Ended 30 June			Half Year Ended 30 June		
	2015 (2Q 2015) S\$'000	2014 (2Q 2014) S\$'000	Change %	2015 (1H 2015) S\$'000	2014 (1H 2014) S\$'000	Change %
Revenue	26,391	19,880	33%	51,672	37,439	38%
Gross Profit	17,246	13,012	33%	34,456	24,071	43%
Gross Margin	65%	65%	-	67%	64%	3 pp
Net Profit from Core Business Operations	9,827	7,540	30%	19,030	13,082	45%
Net Profit After Tax	9,827	7,688	28%	19,030	30,313*	(37)%

* Includes one-off gain of S\$17.3 million from the sale of industrial factory units in 1H 2014

Singapore, 12 August 2015 – Centurion Corporation Limited (胜捷企业有限公司) (“Centurion”, the “Company”, or together with its subsidiaries, the “Group”) which owns, develops and manages quality accommodation assets, today reported another strong set of results for the second quarter (“2Q 2015”) and first half (“1H 2015”) ended 30 June 2015.

Driven by the consistent healthy performance of its Accommodation Business, the Group registered a robust 28% year-on-year increase in its 2Q 2015 net profit after tax to reach S\$9.8 million, on the back of an equally strong 33% growth in overall revenue to S\$26.4 million.



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In view of the strong and stable financial performance, the Group has decided to pay an interim dividend on a half-yearly basis to reward shareholders. For 1H 2015, the Board has recommended an interim dividend of 0.5 Singapore cent per share.

The Group's ability to deliver constant top and bottom line growth is a result of its efforts to grow its accommodation portfolio, enhance its operational capability and drive its financial performance. As at 30 June 2015, the Group had a total of 23,500 beds across three workers accommodation in Singapore with a portfolio occupancy rate of more than 95%, and 19,800 beds in six workers accommodation in Johor, Malaysia with a portfolio occupancy rate of about 90%. In addition, its five student accommodation with 2,362 beds in Australia and the United Kingdom ("UK") operated closed to full occupancy.

In 2Q 2015, the Group achieved a strong 40% growth in revenue from its Accommodation Business to S\$24.9 million in 2Q 2015 from S\$17.8 million in 2Q 2014. This was mainly due to its strategic expansion into the student accommodation business in the UK, coupled with the increase in bed occupancy at Westlite Toh Guan dormitory following its expansion in bed capacity in January 2014.

Westlite Tampoi, which obtained its temporary occupation permit in January 2015, increased the Group's overall bed capacity and contributed to the segment's revenue growth.

Gross profit jumped by 33% to S\$17.2 million in 2Q 2015 from S\$13.0 million a year ago, in line with the revenue growth, maintaining its gross profit margin at 65%. All in, the Group recorded a solid year-on-year increase of 30% in 2Q 2015 net profit from its core business operations to S\$9.8 million, which came entirely from the Group's Accommodation Business.

Due to continued decline in market demand for physical optical disc storage media, the optical disc business saw a drop in revenue of approximately S\$0.6 million but managed to achieve breakeven in 2Q 2015.

On year-to-date basis, the Group's revenue rose 38% to S\$51.7 million in 1H 2015, with the revenue from its Accommodation Business growing 47% year-on-year. Excluding a one-off gain of S\$17.3 million from the sale of industrial factory units at M Space in 1H 2014, the net profit derived from the Group's core business operations increased 45% to S\$19.0 million in 1H 2015.

In the first half of this year, the Group's accommodation assets generated stable and strong operating cash flow before working capital changes of S\$29.3 million, a 53% increase from 1H 2014. Cash and cash equivalents as at 30 June 2015 stood at S\$80.6 million. Given the strong operating cash flow, healthy balance sheet and active debt and capital management policies, the Group continues to be financially strong and has adequate debt headroom for further expansion.

Commenting on the Group's latest financial results, Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited said, "We have successfully maintained Centurion's growth momentum by building upon our foundation in existing markets and diversifying into new areas which contribute to sustainable earnings growth. The Board's decision to pay dividends on a



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half-yearly basis is a reflection of the Group's financial strength and growth prospects, as well as our commitment to reward shareholders for their confidence in us."

Sustaining its Growth Path

In July 2015, the Group completed its fourth workers accommodation in Singapore, Westlite Woodlands with 4,100 beds, bringing the Group's current bed capacity in Singapore to 27,600 beds. In Malaysia, the construction of Westlite Senai II with 5,500 beds is on track and expected to be completed in 4Q 2015.

In 4Q 2015, the Group also expects to complete refurbishment of a student accommodation along Selegie Road which it recently won a tender to operate. Strategically located in close proximity to several educational institutions, this student hostel can house approximately 315 students with commercial spaces for supporting businesses such as food and beverage outlets.

These developments, together with its efforts to grow occupancy and rental rates, will keep the Group on track to achieve continued growth in its core business in 2015. Next year, the expected completion of 7,900-bed ASPRI-Westlite Dormitory - Papan in Singapore and 5,000-bed Westlite Bukit Minyak in Malaysia will further sustain the Group's growth momentum. By the end of 2017, the Group expects to increase its overall portfolio from the current 45,662 beds to over 74,400 beds.

Despite the entry of a few new workers dormitories in Singapore, the impact on the Group's dormitories has been minimal. The Group is optimistic that the good quality and locations of its workers accommodation and reputable Westlite brand, supported by favourable Singapore government policies in purpose-built dormitories, would continue to uphold rental and occupancy rates.

As a diversification to its portfolio, the student accommodation segment continues to provide stable earnings stream for the Group, given the healthy demand of purpose-built student accommodation in Australia and the UK.

"The overall outlook for the Group's Accommodation Business remains positive, underpinned by stable demand for both workers and student accommodation across all our markets. We see growth potential in both segments and will explore opportunities to further expand in both existing and new markets. We recently completed our second issue of S\$65.0 million notes under our MTN programme, which would be part of our war chest to pursue strategic investments focused on sustaining growth and enhancing shareholders' value in the long run," concluded Mr Kong.

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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 23,500 beds across three workers accommodation assets in Toh Guan, Tuas and Mandai as at 30 June 2015. Westlite Woodlands, with 4,100 beds, was recently completed in July 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 4Q 2015. Two projects under planning, Westlite Bukit Minyak, with 5,000 beds is expected to be completed in 2016 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 45,662 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 June 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 <i>(recently completed in July 2015)</i>	-	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	23,500	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 4Q 2015)</i>	-	5,500*
	Westlite Bukit Minyak <i>(expected completion 2016)</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		45,662	74,477

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