

PRESS RELEASE
For Immediate Release

CENTURION CORP TO INVEST £77 MILLION IN UK STUDENT ACCOMMODATION ASSETS

- *Proposed acquisition of four student accommodation assets in Manchester and Liverpool marks the Group's maiden foray into the UK market*
- *Properties comprise over 1,900 beds, with further development and asset enhancement potential*
- *Properties have a strong track record of achieving high occupancy historically*

Singapore, 16 July 2014 – Centurion Corporation Limited (胜捷企业有限公司) (“Centurion”) today announced its maiden foray into the United Kingdom with the proposed acquisition of three student accommodation assets in Manchester and one in Liverpool with a total of 1,906 beds. With a total purchase consideration of £77 million (S\$164.5 million¹), this transaction, when completed, will be Centurion’s largest acquisition to date.

The assets are strategically located in the established education precincts of Manchester which boasts the UK’s largest regional student population, as well as Liverpool. The properties – namely Manchester Student Village, Manchester Student Village South and The Grafton in Manchester, and Cathedral Campus in Liverpool – provide easy access to the cities’ main university campuses and the city centre. Internationally renowned institutions such as the University of Manchester and Manchester Metropolitan University are located within a short distance from the Manchester properties, including The Grafton situated just off the main Oxford road being only a short walk away the University of Manchester’s main campus. Meanwhile Cathedral Campus is in close proximity to the highly regarded Liverpool John Moores University and the Liverpool Institute of Performing Arts.

The three Manchester accommodation are freehold properties, while Cathedral Campus in Liverpool is a long leasehold property with 243 years remaining. All assets are fully operational and have a strong track record of achieving high occupancy rates over the last three years.

The assets also offer redevelopment and asset enhancement opportunities to increase bed capacity. These will be further evaluated after acquisition.

The UK student market is robust with a buoyant outlook. According to Jones Lang LaSalle’s student accommodation database, there are 76,000 full time students across Manchester’s four main universities while in Liverpool, this number is approximately 43,000 among the city’s four main universities. However, only a relatively low proportion of the student base, 16.8% and 16.3% respectively, have access to purpose-built private sector student accommodation.

¹ Based on exchange rate of £1.00 : S\$2.1367

The increasing number of international students studying in the UK underpins the strong demand for purpose-built/private sector accommodation. International applicants to higher education institutions in the UK increased by 7% between 2013 and 2014 as identified in a recent report by Jones Lang LaSalle.² Moving forward, these assets are well-positioned to benefit from the high demand and current undersupply of purpose-built student accommodation.

Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited, said, “The proposed acquisition is in line with our strategic intent to expand our global footprint, build a sizeable student accommodation portfolio in key global education hubs and broaden our earnings base. We are excited to add these four student accommodation properties – our first UK assets – to Centurion’s portfolio. The overall trajectory of the UK higher education market has been one of growth, and we believe that this acquisition will allow us to capitalise on the continued demand for quality student accommodation. The large bed capacity of this portfolio in the UK also provides us with immediate scale and a good platform for the Group’s future investments in the country.”

Upon completion of the acquisition, which is expected in September 2014, the four assets, being fully operational, will be earnings accretive for Centurion.

The four properties are owned and managed by MCR Property Group. On completion of the acquisition, Centurion will take over the relevant staff and continue to use the platform that has been operating the assets. Striving to build up and improve the Group’s operating capability and asset management in the UK, the Group intends to engage a reputable UK student accommodation operator to assist with the operation of the portfolio in the short term.

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ABOUT CENTURION CORPORATION LIMITED

Centurion Corporation Limited, formerly known as SM Summit Holdings Limited, owns and operates accommodation assets, as well as a storage disc manufacturing business. Its worker accommodation assets are managed under the Westlite brand. The Group wholly owns and operates two accommodation assets in Singapore, and 45% of the issued share capital of Lian Beng-Centurion (Mandai) Pte. Ltd. which owns a piece of freehold land in Mandai that has been developed into a ramp-up industrial building and workers’ accommodation. In Malaysia, through its subsidiary Centurion Dormitories Sdn. Bhd., the Group owns and operates five purpose-built accommodation assets and two development projects in the state of Johor.

Since the beginning of this year, Centurion has also completed the upgrading of Westlite Toh Guan with a new 18-storey block housing 3,800 beds. As at 31 March 2014, Centurion has 23,500 beds in its Singapore portfolio, which is expected to grow to 27,600 in 2015 when its fourth dormitory in Woodlands is completed. Globally, it expects to increase the number of beds in its portfolio from 38,456 at present to over 53,300 by the end of 2015, fuelled by additions as

² Jones Lang LaSalle Student Housing Quarterly Bulletin, “2014 Q1 Review”

well as the completion of upgrading, renovation or development works to its Singapore and Malaysian purpose-built dormitory portfolios.

The Group continues to tap on its expertise in the workers' accommodation business to seek new business opportunities in student accommodation and short-stay accommodation for business executives and workers. In September 2012, it acquired a land plot in Port Hedland, Western Australia where it intends to develop short-stay accommodation for workers and business executives in the region's mining industry. In 2013, it acquired a student accommodation asset, RMIT Village in Melbourne, Australia as well as a plot of land for the development of workers' accommodation in Jakarta, Indonesia.

MEDIA CONTACTS

For more information on Centurion Corporation Limited, please contact:

Kreab Gavin Anderson

Vanessa Ho / Melissa Woon

+65 6339 9110

cent@kreab.com