

PRESS RELEASE
For Immediate Release

CENTURION CORP POSTS RECORD NET PROFIT OF S\$22.6 MILLION IN 1Q 2014

- 1Q 2014 revenue increased 21% to a record S\$19.4 million
- Net profit jumped fivefold mainly due to profits from the sale of its jointly-owned industrial property development in Mandai
- Accommodation Business grew by 32% to contribute a net profit of S\$5.4 million
- Declares one-off special interim dividend of 0.5 Singapore cent per share

	1 Jan 14 to 31 Mar 14 (1Q 2014) S\$'000	1 Jan 13 to 31 Mar 13 (1Q 2013 – Restated*) S\$'000	Increase %
Revenue	19,399	15,999	21
Gross Profit	11,445	8,024	43
Gross Margin	59%	50%	9 pp
Net Profit	22,625	3,825	492

* With effect from Q2 FY2013, the Group changed its accounting policy for investment properties from cost to fair value model. The change was applied retrospectively and accordingly, comparative financial statements were restated.

Singapore, 9 May 2014 - 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, has reported an encouraging start to FY2014 with a robust set of financial results for the first quarter ended 31 March 2014 (“1Q 2014”).

Record Performance in 1Q 2014

Continuing its growth momentum from last year, the Group registered a record revenue of S\$19.4 million for 1Q 2014, a 21% increase from S\$16.0 million year-on-year. This was largely attributed to the Accommodation Business’ turnover of S\$15.2 million which was boosted by the increase in bed capacity of Westlite Toh Guan in January, as well as maiden revenue from its newly acquired student accommodation RMIT Village (“RMITV”) in Melbourne, Australia in early February. Overall, the Accommodation Business continued to experience higher rental rates as well as improved occupancy rates at the Group’s dormitories across Malaysia.

The Group’s gross profit saw a hike of 43% to S\$11.4 million as compared to S\$8.0 million in 1Q 2013. On the back of the higher proportion contributions and gross profit margins of its Accommodation Business compared to the Optical Disc Business, overall gross profit margin for the Group jumped to 59%, compared to 50% in the corresponding period last year.

Net profit grew significantly by 492% to S\$22.6 million, largely due to the recognition of profits from the sale of its jointly-owned industrial property development, M Space located in Mandai. Excluding the S\$17.3 million from the Group’s share of gains arising from this sale, net profit

rose by a robust 40% to S\$5.3 million, up from S\$3.8 million in 1Q 2013. The healthy growth was driven by its Accommodation Business, which contributed a net profit of S\$5.4 million.

Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited said, "We are pleased to kick start the financial year with record revenue and net profit figures for 1Q 2014. We have once again demonstrated our ability to achieve steady growth in both our top and bottom line. As we expand into other geographies and asset classes, our goal remains focused on capturing opportunities that will allow us to further grow our accommodation business and increase value for our shareholders."

While the Accommodation Business maintains its strong performance, the Optical Disc Business experienced diminishing market demand for physical storage media. Revenues from this business reduced slightly by S\$0.7 million with a marginal net loss of S\$0.1 million.

Overall, the Group generated a positive net cash flow of S\$10.1 million from its operations, a significant increase of 71% compared to 1Q 2013. Cash and cash equivalents as at the end of 31 March 2014 stood at S\$70.2 million. The Group continued to enjoy a healthy balance sheet with gearing ratio at a comfortable 46% and total shareholders' equity at S\$318.0 million.

In view of the record performance and to reward shareholders for their loyalty, the board of directors have declared a one-off special interim dividend of 0.5 Singapore cent per share for 1Q 2014.

Well-Positioned for Growth

The Group's Accommodation Business is positioned for growth and further expansion, supported by a healthy demand for quality purpose-built workers accommodation in Singapore and Malaysia. Its total bed capacity in Singapore, including recent additions in Westlite Toh Guan and Westlite Mandai, sits at 23,500. Westlite Toh Guan and Westlite Mandai are expected to operate at close to full occupancy by next quarter. In addition, Westlite Tuas, which is under a 3+3+3 year lease from the Building and Construction Authority, recently obtained its renewal approval for the third term of another three years.

In Malaysia, the Group has five operating dormitories with 14,500 beds in Johor, Iskandar. With continued marketing efforts, occupancy rates at its Malaysian dormitories are expected to increase steadily.

The Group's efforts to diversify into student accommodation have also paid off. Newly acquired RMITV has leased all of its 456 beds for this academic semester. Due to the strong demand for purpose-built student accommodation, it is expected to operate at close to full occupancy during FY2014.

Looking ahead, the Group's 4,100-bed workers accommodation development in Woodlands has commenced construction with completion expected in 3Q 2015. In Malaysia, construction works have commenced on its land in Tampoi, Johor to develop a workers dormitory of approximately 5,300 beds, which is expected to complete in 1Q 2015.

Commenting on the strong pipeline for the Accommodation Business, Mr Kong added, "We are confident of our growth prospects with ongoing projects and planning underway for Westlite Senai II in Malaysia, our land in Jakarta, Indonesia and our re-development works for RMITV's

adjoining carpark. Our accommodation portfolio is expected to grow to over 50,000 beds by 2015. Besides expanding organically, we will continue to actively seek and explore acquisition opportunities in Singapore and overseas.”

Meanwhile, the operating environment for the Group’s Optical Disc business remains difficult with weak market demand for physical optical storage media. Faced with falling demand, the Group will continue to restructure its operations to ensure that the business continues to generate positive cashflows for the Group.

Last month, the Group’s wholly-owned subsidiary, Summit Technology Australia Pty Ltd (“STA”), entered into a sales and purchase agreement to dispose of its stock for approximately A\$400,000 and its fixed assets for A\$650,000. Following the disposal, STA will cease its manufacturing operations of optical disc in Australia.

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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 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.

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APPENDIX

Centurion Corporation Limited's Asset Portfolio (as at 31 March 2014)

Location	Facility	Current Capacity (no. of beds)	Expected Capacity* (no. of beds)
Singapore	Toh Guan Dormitory	8,600	8,600
	Mandai Dormitory	6,300	6,300
	Tuas Dormitory	8,600	8,600
	Woodlands Dormitory (<i>under development</i>)	-	4,100
	Total in Singapore	23,500	27,600
Malaysia	Tebrau Dormitory	2,500	2,500
	Johor Tech Park Dormitory	5,800	5,800
	Desa Cemerlang Dormitory	1,600	1,600
	Pasir Gudang Dormitory	2,000	2,000
	Senai Dormitory	2,600	2,600
	Tampoi Dormitory (<i>under development</i>)	-	5,300
	Senai II Dormitory (<i>under planning</i>)	-	5,500
	Total in Malaysia	14,500	25,300
Australia	RMIT Village	456	456
	Total in Australia	456	456
Total no. of beds		38,456	53,356

**upon completion of upgrading works / construction in 2015*