

**PRESS RELEASE**  
*For Immediate Release*

## **CENTURION CORP REPORTS 4% INCREASE IN GROSS PROFIT TO S\$22.3 MILLION FOR 1Q 2019**

- Increase in gross profit is mainly due to higher revenues and IFRS 16 Leases ("IFRS 16").
- 7,201 new beds added to operating capacity in 1Q 2019, with associated start-up costs for the new accommodation assets incurred during the quarter.
- New portfolio beds expected to achieve optimised occupancy over the next nine to 12 months.

	<b>First Quarter Ended 31 March</b>		
	<b>2019</b>	<b>2018</b>	<b>Increase</b>
	<b>("1Q 2019")</b>	<b>("1Q 2018")</b>	<b>%</b>
	<b>S\$'000</b>	<b>S\$'000</b>	
<b>Revenue</b>	31,285	30,102	+4%
<b>Gross Profit</b>	22,338	21,555	+4%
<b>Gross Margin</b>	71.4%	71.6%	-0.2pp
<b>Net Profit After Tax from Core Business Operations</b>	9,093	10,489	-13%
<b>Net Profit from Core Business Operations Attributable to Equity Holders</b>	7,876	9,129	-14%

**Singapore, 10 May 2019** - Centurion Corporation Limited (胜捷企业有限公司) ("**Centurion**" or the "**Company**" and together with its subsidiaries, the "**Group**"; SGX stock code: OU8; SEHK stock code: 6090), which owns, develops and manages quality specialised accommodation assets, today announced its results for the first quarter ended 31 March 2019 ("1Q 2019").

For 1Q 2019, Centurion recorded a 4% or S\$1.2 million increase in revenue, to S\$31.3 million from S\$30.1 million in the previous corresponding period. The higher revenue was mainly due to revenue contribution from **dwel Princess Street** in the United Kingdom ("UK"), which was acquired towards the second half of FY2018, as well as rental rate increases from the Group's UK assets. During the quarter, occupancy and rents for Centurion's existing portfolio of workers and student accommodation assets have remained stable.

The Group reported gross profit increased 4% from S\$21.6 million in 1Q 2018 to S\$22.3 million in 1Q 2019 mainly due to higher revenue and reclassification of rental expense following the adoption of IFRS 16, which have offset the increased cost of sales associated with the new operational assets. Net profit from core business operations attributable to equity holders ("net profit") was S\$7.9 million, 14% lower than S\$9.1 million in the same period a year ago due to higher cost of sales, administrative and finance expenses.

The increased costs were the result of start-up costs incurred for the Group's new operating assets **dwel East End Adelaide**, **dwel Dongdaemun** and **Westlite Bukit Minyak** (collectively, "the new assets"), as well as higher finance and administrative expenses which arose from higher interest rates as compared to 1Q 2018 and interest expense on additional borrowings to fund the new assets.

Commenting on the Group's 1Q 2019 performance, Mr Kong Chee Min (江志明), CEO of Centurion Corporation said: "Our focus on improving the performance and expanding the portfolio of our workers and student accommodation assets to earn sustainable and recurring income have borne fruit and we are pleased with the healthy set of financial results for this quarter. We have made significant developments in FY2018 and expect that occupancy for these new assets will ramp up progressively and begin accreting revenue over the course of 2019."

Centurion added three new operating assets into its portfolio during the quarter, which include purpose-built student accommodation assets ("PBSA") **dwel East End Adelaide** in Australia and **dwel Dongdaemun**, South Korea as well as a purpose-built workers accommodation asset ("PBWA"), **Westlite Bukit Minyak** in Penang, Malaysia. **dwel East End Adelaide** was completed in 4Q 2018 and began accepting occupancy in January 2019 and refurbishment for **dwel Dongdaemun** has been completed and ready for occupancy in late February 2019. **Westlite Bukit Minyak** will be ready for occupancy in 2Q 2019, following fitting works carried out on the property.

**RMIT Village** in Melbourne, Australia, has achieved a high average occupancy for 1Q 2019 even though Asset Enhancement Programme (AEP) is currently underway. 113 out of the 160 new beds under AEP have been completed, the remaining beds are expected to be ready in 2Q 2019. These additional beds together with the new assets will add 7,248 beds to the Group's existing students and workers accommodation portfolio in 2019. These new assets are expected to achieve optimised occupancy over the next nine to 12 months.

Moving forward, the Group will continue to selectively explore opportunities to grow its accommodation business in existing and new markets, while simultaneously exploring further growth opportunities through asset light strategies. While the Group remains focused on specialised accommodation assets within the PBSA and PBWA sectors which generate stable, recurring income streams, it will also consider opportunities to invest in new specialised accommodation types.

**-END-**

### **About Centurion Corporation Limited**

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

The Group owns and manages a strong portfolio of 31 operational accommodation assets totalling 62,656 beds approximately in 2019. With projects currently under development and undergoing asset enhancement works, the Group's portfolio of accommodation assets is expected to grow to approximately 68,756 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.



**Centurion Corporation Limited**  
(Company Registration No. 198401088W)

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

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## **APPENDIX**

Centurion Corporation Limited's Asset Portfolio (as at 31 March 2019)

<b>Location</b>	<b>Facility</b>	<b>Current Capacity (approx no. of beds)</b>	<b>Expected Capacity in FY2020 (approx no. of beds)</b>
<b>Workers Accommodation</b>			
<b>Singapore</b>	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
	<b>Total in Singapore</b>	<b>26,100</b>	<b>26,100</b>
<b>Malaysia</b>	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	6,600	6,600
	Westlite Juru* <i>(expected completion 2021)</i>	-	6,100
	<b>Total in Malaysia</b>	<b>30,300</b>	<b>36,400</b>
<b>Total no. of beds for Workers Accommodation</b>		<b>56,400</b>	<b>62,500</b>
<b>Student Accommodation</b>			
<b>Singapore</b>	dwell Selegie	332	332
	<b>Total in Singapore</b>	<b>332</b>	<b>332</b>
<b>Australia</b>	RMIT Village"	569	616
	dwell Adelaide	280	280
	<b>Total in Australia</b>	<b>849</b>	<b>896</b>
<b>U.K.</b>	dwell MSV	1,017	1,017
	dwell MSV South	355	355
	dwell The Grafton	145	145
	dwell Cathedral Campus	383	383
	dwell Beechwood House	37	37
	dwell Weston Court	140	140
	dwell Hotwells House	157	157
	dwell Garth Heads	181	181
	dwell Princess Street	127	127
	dwell Castle Gate Haus	133	133
	<b>Total in U.K.</b>	<b>2,675</b>	<b>2,675</b>
<b>U.S.A #</b>	dwell Towers on State	231	231
	dwell Statesider	226	226
	dwell Logan Square	642	642
	dwell Tenn Street	624	624
	dwell Stadium View	216	216
	dwell College & Crown	206	206
	<b>Total in U.S.</b>	<b>2,145</b>	<b>2,145</b>



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<b>South Korea</b>	dwell Dongdaemun	208	208
	<b>Total in South Korea</b>	<b>208</b>	<b>208</b>
<b>Total no. of beds for Student Accommodation</b>		<b>6,209</b>	<b>6,256</b>
<b>Total no. of beds</b>		<b>62,609</b>	<b>68,756</b>

\* Upon completion of Westlite Juru's construction in 2021

" Majority (113) of the new 160 (approx) beds under development for the RMIT Village AEP completed in February 2019, while the remaining beds (47) for the AEP are expected to be completed in 2Q 2019

# 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