



## Centurion Corporation Limited

(Company Registration No. 198401088W)

### PRESS RELEASE For Immediate Release

## CENTURION CORP REPORTS STEADY REVENUE GROWTH OF 13% IN 1Q 2016

- Achieved 1Q 2016 net profit of S\$9.3 million against revenue of S\$28.5 million
- Expects positive growth from ASPRI-Westlite Papan and the acquisition of four new student assets in UK upon completion in 2016

	First Quarter Ended 31 March		
	2016	2015	Increase
	(1Q 2016)	(1Q 2015)	%
	S\$'000	S\$'000	
Revenue	28,537	25,281	13%
Gross Profit	19,306	17,210	12%
Gross Margin	68%	68%	-
Net Profit After Tax	9,322	9,203	1%
Net Profit From Core Business Operations	9,322	9,203	1%

**Singapore, 9 May 2016 - Centurion Corporation Limited** (胜捷企业有限公司) (“Centurion”, or together with its subsidiaries, the “Group”) has registered a steady 13% growth in revenue to S\$28.5 million for the first quarter ended 31 March 2016 (“1Q 2016”), compared to S\$25.3 million in the same period last year (“1Q 2015”).

The growth in revenue was mainly due to contributions from the opening of Westlite Woodlands and CSL Selegie in July and October 2015 respectively, as well as positive rental reversions from the Group’s student accommodation business in Australia and the United Kingdom (“UK”).

With the improved performance of its accommodation business, the Group’s gross profit increased by 12% to S\$19.3 million in 1Q 2016, maintaining a stable gross profit margin of 68% as the year before. After taking into account higher finance costs, the net profit after tax derived from the Group’s core business operations rose by 1% to S\$9.3 million in 1Q 2016.

Overall, the Group generated a positive cash flow of S\$16.9 million from operating activities before working capital changes, an increase of 14% from S\$14.8 million in the same period last year. Cash and cash equivalents as at 31 March 2016 amounted to S\$132.6 million, up from S\$54.0 million a year ago.

Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited said, “We have maintained positive growth in our workers accommodation business in Singapore and Malaysia due to our strong industry position, even amidst a competitive market environment. Our diversification



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strategy to expand into student accommodation has also worked well in widening our income stream across more countries. With our new acquisitions and developmental pipeline, we are optimistic that we can continue to deliver long-term value for our shareholders.”

### **Strengthening its Accommodation Business**

During the quarter, the Group remained focused on active asset management to maintain a healthy portfolio occupancy and to manage operational cost. In 1Q 2016, the Group achieved a healthy average occupancy of over 95% for its four workers accommodation assets in Singapore, and around 70% for its six assets in Malaysia, excluding Westlite Senai II which opened in January 2016.

The Group is also on track to complete its fifth workers accommodation asset in Singapore, ASPRI-Westlite Papan with 7,900 beds, by the middle of this year.

The Group’s student accommodation assets in the UK and Australia all operated at close to full occupancy in 1Q 2016. As part of its efforts to further grow its revenue, the Group announced earlier this month that it has entered into an agreement to acquire four more student accommodation assets in the UK, which will increase its student portfolio by 519 beds to 3,208 beds upon completion of acquisition. With the growing student accommodation portfolio, the Group is building its operational capability in this business segment to improve management and efficiency.

### **Outlook for 2016**

The workers accommodation market in Singapore is expected to be more competitive in 2016, but the long term outlook remains positive despite short term headwinds as there continues to be a good demand for purpose-built dormitory beds. In Malaysia, given the weaker economy and ringgit, occupancy rates have softened. Nonetheless, the Group remains confident of the potential of this market as the country is an important manufacturing hub in the region, and the supply of workers accommodation beds is a fraction of the foreign workers population.

The Group expects positive growth through the ramping up of occupancy in existing assets, such as Westlite Woodlands and Westlite Senai II, as well as new revenue streams from the completion of ASPRI-Westlite Papan and the completion of acquisition of the four new assets in UK.

To further drive sustainable growth, the Group will continue to keep a look out for opportunities to selectively expand in existing and new markets, while evaluating asset enhancement opportunities.

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### **ABOUT CENTURION CORPORATION LIMITED**

Centurion Corporation 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 capacity of 27,600 beds across four workers accommodation assets in Toh Guan, Tuas, Mandai and Woodlands as at 31 March 2016. ASPRI-Westlite Papan, its fifth workers accommodation project with 7,900 beds, is under construction and is expected to be completed by June 2016.

In Malaysia, the Group has a capacity of 25,700 beds across seven workers accommodation assets in Johor as at 31 March 2016. Two projects under planning, Westlite Bukit Minyak, with 5,000 beds is expected to be completed in 2017 and Westlite Juru, with 6,100 beds is expected to be completed in 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 1,901 beds, with the expected addition of another four assets with 519 beds upon completion of acquisition. The Group also operates a 332-bed student accommodation along Selegie Road in Singapore.

The Group expects to increase its overall portfolio from 55,989 beds as at 31 March 2016 to over 75,500 beds by the end of 2018.

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 2016)

Location	Facility	Current Capacity (no. of beds)	Expected Capacity (no. of beds)
<b>Workers Accommodation</b>			
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
	ASPRI-Westlite Papan (expected completion Jun 2016)	-	7,900*
<b>Total in Singapore</b>		<b>27,600</b>	<b>35,500</b>
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	5,900	5,900
	Westlite Bukit Minyak (expected completion 2017)	-	5,000*
	Westlite Juru (expected completion 2018)	-	6,100*
<b>Total in Malaysia</b>		<b>25,700</b>	<b>36,800</b>
<b>Total no. of beds for Workers Accommodation</b>		<b>53,300</b>	<b>72,300</b>
<b>Student Accommodation</b>			
Singapore	CSL Selegie	332	332
	<b>Total in Singapore</b>	<b>332</b>	<b>332</b>
Australia	RMIT Village	456	456
	<b>Total in Australia</b>	<b>456</b>	<b>456</b>
U.K.	Manchester Student Village	1,017	1,017
	Manchester Student Village South	355	355
	The Grafton	145	145
	Cathedral Campus	384	384
	Beechwood House	-	37^
	Weston Court	-	140^
	Hotwells House	-	157^
	Garth Heads	-	185^
<b>Total in U.K.</b>		<b>1,901</b>	<b>2,420</b>
<b>Total no. of beds for Student Accommodation</b>		<b>2,689</b>	<b>3,208</b>
<b>Total no. of beds</b>		<b>55,989</b>	<b>75,508</b>

\* Upon completion of construction between 2016 to 2018 respectively

^ Upon completion of acquisition in 2016