

PRESS RELEASE
For Immediate Release

CENTURION CORP REPORTS 16% INCREASE IN NET PROFIT FOR 3Q 2018

- *Broadened footprint and expanded **dwell** network with entry into Nottingham, United Kingdom and Seoul, South Korea*
- *Portfolio expansion on track with a strong pipeline of c.781 PBSA beds and c.6,600 PBWA beds expected to be accretive to the Group's earnings by 1Q 2019*
- *Targeting establishment of second student accommodation private fund*

	Third Quarter Ended 30 September			Nine Months Ended 30 September		
	2018 ("3Q 2018") S\$'000	2017 ("3Q 2017") S\$'000	Change	2018 ("9M 2018") S\$'000	2017 ("9M 2017") S\$'000	Change
Revenue	28,268	32,253	-12%	88,744	103,522	-14%
Gross Profit	19,815	21,764	-9%	63,382	71,371	-11%
Gross Margin	70%	67%	-3 pp	71%	69%	-2 pp
Net Profit After Tax	8,577	7,403	16%	30,129	30,642	-2%
Net Profit After Tax from Core Business Operations ¹	8,577	10,221	-16%	30,129	38,722	-22%
Net Profit from Core Business Operations Attributable to Equity Holders ¹	7,319	8,879	-18%	26,215	34,993	-25%

Singapore, 12 November 2018 - 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 accommodation assets, today announced its results for the third quarter ended 30 September 2018 ("3Q 2018") and nine months ended 30 September 2018 ("9M 2018").

The Group's revenue for 3Q 2018 was lower year-on-year ("Y-O-Y") by 12% to S\$28.3 million, largely attributable to the expiry of the lease on Westlite Tuas in Singapore which ceased operations in December 2017. The decrease in revenue was partially offset by additional revenue from the Group's recent acquisition of dwell Princess Street in Manchester, as well as a strong showing from our workers accommodation in Malaysia with a high occupancy rate of 95%, and improved performance in the Group's UK student accommodation portfolio. Despite the decline in revenue, the Group's gross profit margin improved from 69% to 71% in the nine months ended 30 September 2018.

Notwithstanding the cessation of Westlite Tuas' operations, net profit increased 16% Y-O-Y to \$8.6 million for 3Q 2018. Included in the net earnings of 3Q 2017 were one-off professional fees of \$1.1 million incurred for the dual primary listing on the Main Board of the Stock Exchange of Hong Kong Limited ("SEHK") in December 2017, net fair valuation loss of \$1.5 million on investment properties and assets held for sale and higher income tax expenses arising from deferred tax which arose from the cumulative fair valuation gains recognised from the Group's investment properties in Malaysia, Australia and China. These costs were not incurred in 3Q 2018.

¹ Excludes one-off items

Commenting on the Group's 3Q 2018 results, Mr Kong Chee Min (江志明), CEO of Centurion Corporation said: "Over the next few months, we will see the fruition of our efforts with the addition of more than 7,000 beds into our portfolio. The 6,600-bed PBWA asset in Bukit Minyak is on track for completion in 4Q 2018 and this will allow us to take advantage of the favourable regulatory environment for quality worker housing in Malaysia."

Expanding the PBSA portfolio with entry into Nottingham and South Korea

During the quarter, the Group made progress with broadening its PBSA portfolio across geographies, with the announcements of the proposed acquisitions of two PBSA assets that are strategically located and supported by strong industry fundamentals.

In the United Kingdom ("UK"), the Group announced the proposed acquisition of dwell Castle Gate Haus, a 133-bed student accommodation asset located in Nottingham's city centre and in close proximity to two of the UK's highly regarded universities. This proposed acquisition leverages on the existing undersupply of PBSA assets in Nottingham and will increase the Group's UK portfolio to ten assets.

The quarter was a milestone in the Group's PBSA business, as the acquisition of Benikea Hotel KP in South Korea marked Centurion's entry into North Asia. The property will be repurposed into a 208-bed accommodation within Seoul, which has emerged in recent years to be one of Asia's strongest representatives in the QS Best Student Cities ranking, having placed consistently in the top 10 since 2015.²

Both the Benikea Hotel KP and Castle Gate Haus acquisitions have been completed post-third quarter, on 6 November and 9 November 2018 respectively.

Driving sustainable and future growth

With healthy and supportive industry fundamentals in place, the Group will continue to pursue growth through joint ventures and asset light strategies. Following the successful closure of the Group's first private fund last year, the Group seek to build on this growth pillar through the potential establishment of a second student housing private fund with like-minded investors.

Moving forward, the Group will maintain its course on selectively exploring opportunities to grow its accommodation business through targeted expansion in existing and new markets, in addition to potentially diversifying into other specialised accommodation assets.

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² Source: QS Best Student Cities Rankings 2015-2018

About Centurion Corporation Limited

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

The Group owns and manages a strong portfolio of 27 operational accommodation assets totalling c.55,273 beds as at 30 September 2018. With projects currently under development and undergoing asset enhancement works, the Group’s portfolio of accommodation assets is expected to grow to c.68,754 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.

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

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APPENDIX

Centurion Corporation Limited's Year-To-Date Asset Portfolio:

Location	Facility	Current Capacity (approx no. of beds)	Expected Capacity (approx no. of beds)
Workers Accommodation			
Singapore	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
	Total in Singapore	26,100	26,100
Malaysia	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 (expected completion 4Q 2018)	-	6,600*
	Westlite Juru (expected completion 2020)	-	6,100*
	Total in Malaysia	23,700	36,400
Total no. of beds for Workers Accommodation		49,800	62,500
Student Accommodation			
Singapore	dwel Selegie	332	332
	Total in Singapore	332	332
Australia	RMIT Village	456	616"
	dwel Adelaide	-	280
	Total in Australia	736	896
U.K.	dwel MSV	1,017	1,017
	dwel MSV South	355	355
	dwel The Grafton	145	145
	dwel Cathedral Campus	383	383
	dwel Beechwood House	37	37
	dwel Weston Court	140	140
	dwel Hotwells House	157	157
	dwel Garth Heads	181	181
	dwel Princess Street	127	127
	dwel Castle Gate Haus***	-	133
Total in U.K.	2,542	2,676	
U.S.#	dwel Towers on State	231	231
	dwel Statesider	226	226
	dwel Logan Square	640	640
	dwel Tenn Street	624	624
	dwel Stadium View	216	216
	dwel College & Crown	206	206
	Total in U.S.	2,143	2,143
South Korea	Benikea Hotel KP **	-	208
	Total in South Korea	-	208
Total no. of beds for Student Accommodation		5,473	6,255
Total no. of beds		55,273	68,754

* Upon completion of construction in 2018 (Westlite Bukit Minyak) and 2020 (Westlite Juru)

" The majority of the new c.160 beds under development for the RMIT Village AEP are expected to be completed in January 2019, in time for students to move in before the start of the new academic semester in February 2019, while the remaining beds for the AEP are expected to be completed in 2Q 2019

** Upon completion of acquisition in 4Q 2018 and completion of refurbishment exercise in 1Q 2019

*** Upon completion of acquisition in 4Q 2018

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