



**Centurion Corporation Limited** (formerly known as SM Summit Holdings Ltd)  
(Company Registration No. 198401088W)

## PRESS RELEASE

### *For Immediate Release*

#### **CENTURION REPORTS FIRST FINANCIAL RESULTS AS ENLARGED GROUP POST DIVERSIFICATION INTO WORKERS DORMITORY BUSINESS**

- Revenue soared 224% from S\$3.04 million in Q3 FY2010 to S\$9.86 million in Q3 FY2011, largely due to reverse acquisition accounting<sup>1</sup>
- Excluding one-off goodwill charges, the Group achieved net profit of S\$2.02 million in Q3 FY2011
- Asset enhancement and expansion programme expected to drive growth for Dormitory Business segment

**Singapore, 11 November 2011** - Centurion Corporation Limited (胜捷企业有限公司) (“Centurion”, formerly known as SM Summit Holdings Ltd, or together with its subsidiaries, the “Group”), a diversified business group involved in developing and managing workers dormitory assets (“Dormitory Business”) and the manufacturing and sale of optical storage media (“Optical Disc Business”), today announced its financial results for the third quarter (“Q3 FY2011”) and nine months (“9M FY2011”) ended 30 September 2011.

This is the first set of results Centurion issued as an enlarged group following the successful acquisitions of Centurion Dormitory (Westlite) Pte. Ltd. (“Westlite”) and a 45% stake in Lian Beng-Centurion (Mandai) Pte. Ltd. (“LBCM”).

Largely due to the effect of reverse acquisition accounting, the Group reported significant jumps of 224% and 90% in revenue and gross profit for Q3 FY2011 vis-a-vis the previous corresponding quarter respectively.

Mr Kong Chee Min (江志明), CEO of Centurion said, “Prima facie in this quarter’s results, our Dormitory Business was and will continue to be a key growth driver for the Group. Apart from substantial contributions at the gross margin level, we believe we will continue to see traction at the top line as we roll-out our asset enhancement programme and expand locally and regionally. At the same time, we expect our Optical Disc Business to continue generating healthy cash flow,

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<sup>1</sup> Given that the shareholders of Westlite became the majority shareholders of the enlarged Group, the Westlite acquisition has been accounted for as a **reverse acquisition** in accordance to FRS 103. Westlite is considered as the acquirer for accounting purposes. The Group’s consolidated financial statements for the quarter ended 30 September 2011 have been prepared as a continuation of Westlite’s financial statements and that Westlite had acquired the Optical Disc Business and LBCM with effect from 1 August 2011. Accordingly, the Group’s Q3 FY2011 financial results comprised three months’ financial results of Westlite and two months’ financial results of the Optical Disc Business and LBCM; whereas the Q3 FY2010 results only included the financial results of Westlite during the three months’ period. Therefore, the changes in Group revenue and expenses between Q3 FY2011 and Q3 FY2010, as well as between 9M FY2011 and 9M FY2010 are not strictly speaking, directly comparable.

providing the Group with the necessary funds to support its operational capital and growth opportunities.”

In Q3 FY2011, the Group registered total revenue of S\$9.86 million, representing a 224% jump from S\$3.04 million in Q3 FY2010. The increase was attributed to inclusion of two months' sales revenue from the Optical Disc Business of S\$6.55 million and 9% growth in revenue of Westlite. Westlite continued to operate at close to 100% occupancy rate, well-supported by strong demand for quality workers dormitory in Singapore.

The Group's gross profit increased 90% from S\$2.23 million in Q3 FY2010 to S\$4.22 million in Q3 FY2011, mainly due to the inclusion of the Optical Disc Business. This, however, has resulted in a drop in the overall gross margin for the Group from 73% in Q3 FY2010 to 43% in Q3 FY2011, as the Optical Disc segment is a lower margin business by nature compared to the Dormitory Business. The gross margin for Dormitory Business segment alone had slightly improved by two percentage points to 75% due to higher rental rates.

Despite healthy revenue and gross profit registered, the Group's bottom line in the quarter was impacted by a one-off goodwill written off amounting to S\$12.97 million arising from the reverse acquisition exercise. Excluding the goodwill written off, the Group would have achieved a net profit of S\$2.02 million in Q3 FY2011.

Comparing 9M FY2010 and 9M FY2011, the Group's gross profit improved 35% from S\$6.57 million to S\$8.86 million on the back of a revenue jump of 80% from S\$8.96 million to S\$16.11 million.

The Group generated positive net cash of S\$5.43 million from operating activities for 9M FY2011. Overall, the Group recorded a net increase in cash and cash equivalents of S\$18.66 million for 9M FY2011.

## **Outlook**

Backed by the strong demand for quality workers accommodation in Singapore, Westlite is expected to continue operating at close to 100% occupancy rate. Rental revenue is expected to increase as the Group renews existing tenancy contracts at higher rental market rates.

In mid October 2011, Centurion's joint venture with Lian Beng Group, LBCM, has successfully launched the sale of units in its ramp-up industrial building in Mandai. Of the 141 units launched, almost 70% were sold in less than a month. The gain on sale of these units is expected to be realised in 2013 when the development is completed. Meanwhile, LBCM is preparing to commence construction of the workers dormitory project in Mandai in early 2012.

Despite the challenging business environment, the Optical Disc Business is expected to continue generating healthy cash flow for the Group. Centurion will closely monitor the business performance of this business segment and will undertake appropriate restructuring and rationalisation efforts to ensure its continual contribution.

Mr Kong said, “We are optimistic about our growth prospects. The Westlite acquisition has provided us with a strong capability to explore and expand our footprint in the workers accommodation business in Singapore and the region. Apart from bringing forward the asset enhancement programme at Westlite Dormitory to 2012 as opposed to 2013 as originally planned, we are also actively exploring opportunities to acquire additional dormitory assets in Singapore. Outside Singapore, our growth plans are on track as we work towards completing the acquisition of six dormitory projects in Malaysia by end of this year. This will bring us one step closer to realising our goal as one of the leading providers of quality workers accommodation in the region.”

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## **ABOUT CENTURION CORPORATION LIMITED**

Centurion Corporation Limited, formerly known as SM Summit Holdings Limited, owns and operates dormitory assets, as well as a storage disc manufacturing business. The Group’s dormitory assets currently include Centurion Dormitory (Westlite) Pte. Ltd. the owner-operator of Westlite Dormitory located at 18 Toh Guan Road East and 45% of the issued share capital of Lian Beng-Centurion (Mandai) Pte. Ltd. which owns a piece of freehold industrial land in Mandai, of approximately 18,700 square metres which will be developed into dormitories on part of the land. In addition, it is also involved in the business of manufacturing compact discs, digital versatile discs and data storage.

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