



PRESS RELEASE

For Immediate Release

CENTURION DELIVERS POSITIVE RESULTS WITH GROWTH PLANS FIRMLY IN PLACE

- Revenue increased from S\$3.06 million in Q4 FY2010 to S\$13.93 million in Q4 FY2011
- Group achieved a net profit of S\$1.72 million in Q4 FY2011
- Group to continue on growth path through asset enhancements and acquisitions

	1 Oct 11 to 31 Dec 11 (4Q 2011) S\$'000	1 Oct 10 to 31 Dec 10 (4Q 2010) S\$'000	Increase %	1 Jan 11 to 31 Dec 11 (FY2011) S\$'000	1 Jan 10 to 31 Dec 10 (FY2010) S\$'000	Increase %
Revenue	13,930	3,063	355	30,044	12,020	150
Gross Profit	5,817	2,229	161	14,672	8,796	67
Gross Margin	42%	73%	-	49%	73%	-
Net Profit	1,716	1,462	17	6,909*	5,681	22*

*excluding one-off goodwill impairment amounting to S\$12.97 million and the one-off reverse acquisition expense of S\$0.1 million

Singapore, 27 February 2012 - Centurion Corporation Limited (胜捷企业有限公司) ("Centurion", the "Company", 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 fourth quarter ("Q4 FY2011") and full year ("FY2011") ended 31 December 2011.

In Q4 FY2011, the Group registered total revenue of S\$13.93 million, representing a 355% jump from S\$3.06 million in Q4 FY2010. The increase was attributed to inclusion of sales revenue from the Optical Disc Business of S\$10.5 million and an 11% growth in revenue from the Dormitory Business to approximately S\$3.4 million.

The Group's gross profit increased 161% from S\$2.23 million in Q4 FY2010 to S\$5.82 million in Q4 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 72.8% in Q4 FY2010 to 41.8% in Q4 FY2011, as the Optical Disc segment is a lower margin business by nature compared to the Dormitory Business. The gross margin for Dormitory Business alone had improved three percentage points to 76% due to higher rental rates.

The Group reported higher overall distribution and administrative expenses for Q4 FY2011 due to the inclusion of said expenses from the Optical Disc Business. The Group's performance was also impacted by its share of the losses incurred by its associated company LBCM Group,

which was mainly due to marketing expenses relating to the sale of ramp-up industrial building units.

Despite the above, the Enlarged Group registered a net profit of S\$1.72 million in Q4 FY2011, a 17% increase from S\$1.46 million in Q4 FY2010.

Mr Kong Chee Min (江志明), CEO of Centurion said, “We are pleased with the Group’s performance over the last quarter. Our Optical Disc Business continued to perform and generate a healthy cash flow for the Group’s operations. Further to this, our Dormitory Business continued to enhance the Group’s revenue and margins. Moving forward, we expect to see greater contributions from the Dormitory Business as its expansion plans bear fruition.”

On a full year basis, the Group’s gross profit improved 67% from S\$8.80 million in FY2010 to S\$14.67 million in FY2011 on the back of a revenue jump of 150% from S\$12.02 million to S\$30.04 million over the same period.

Despite the healthy revenue and gross profit registered over the last two quarters since the reverse acquisition, the Group registered a net loss of S\$6.16 million. This was largely due to the impairment of goodwill in relation to the reverse acquisition exercise amounting to S\$12.97 million. Excluding the amount written off, the Group would have achieved a net profit of S\$6.91 million for FY2011.

The Group generated positive net cash of S\$10.6 million from operating activities for FY2011. Overall, the Group recorded a net increase in cash and cash equivalents of S\$34.0 million for FY2011. Net asset value per share as at 31 December 2011 stood at 13.36 cents.

Considering the impairments and costs involved in the acquisition of Westlite, resulting in the overall loss position of the Company, the Company is unable to declare dividends for FY2011. In view of this constraint, the Directors intend to consider declaring an interim dividend in the first quarter results announcement for FY2012.

Outlook

The Group’s Dormitory Business is a key beneficiary of the strong demand for quality workers accommodation in Singapore. Besides seeking organic growth through regular rent revision to better reflect market rates and active asset enhancement initiatives, the Group is also focused on expanding its footprint through acquisitions in Singapore and the region, as well as exploring opportunities in new ancillary and related businesses.

Having concluded the planning phase for the asset enhancement exercise at Westlite Dormitory recently, the Group is commencing work between May and June 2012 to upgrade and increase the number of beds at the property. With completion planned for between FY2013 and FY2014, this will increase the number of beds from 5,300 to approximately 8,000.

In addition, the Group's joint-venture, Lian Beng-Centurion Mandai Pte Ltd has sold 86% of the units in a planned ramp-up industrial building. Construction of the building and the adjacent worker dormitory has commenced and will be completed in FY2013. Once completed, the Group will be able to recognise the gain on sales from the industrial building units.

More recently, the Group is in the process of acquiring an 85% interest in Dormitory Investment Pte Ltd, the owner and operator of a dormitory in Tuas, Singapore. With the dormitory being one of the largest in Singapore with 8,600 beds, it is expected to contribute positively to the revenue and profitability of the Group in FY2012.

In line with the Group's plan to expand the Dormitory Business regionally, it has acquired two dormitory sites in Johor, Malaysia. One of the sites is located at Johor Tech Park with a capacity of 6,000 beds and the other is at Tebrau 4 with 2,700 beds. The dormitory at Johor Tech Park is currently under construction while the ready-built one at Tebrau 4 has commenced operations. The Group expects to complete further acquisitions of the identified dormitory sites upon completing the due diligence process. (Please refer to the appendix for a summary of the Group's asset portfolio)

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 have made positive steps in recent months to expand our footprint in Singapore and the region and have established ourselves as a significant player in the industry. In FY2012, we will continue to explore the market for potential acquisition opportunities to grow our footprint. As we mark a transformational year for the Group, we look forward to taking further steps to grow our revenue and profits. In doing so, we hope to realise our goal of being 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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APPENDIX

The Group's Asset Portfolio (as at 27 February 2012)

Location	Dormitory	Current Capacity (no. of beds)	Expected Capacity* (no. of beds)
Singapore	Westlite Dormitory (to commence upgrading)	5,300	8,000
	Mandai Dormitory (under development)	-	4,700
	Tuas Dormitory (pending completion)	8,600	8,600
Malaysia	Tebrau Dormitory	2,700	2,700
	Johor Tech Park Dormitory (under development)	-	6,000
	Total	16,600	30,000

**upon completion of upgrading works/ construction*