



PRESS RELEASE

For Immediate Release

CENTURION ACHIEVES GROWTH THROUGH EXPANSION OF DORMITORY BUSINESS

- Revenue increased S\$3.13 million in Q1 FY2011 to S\$12.98 million in Q1 FY2012
- Group achieved net profit of S\$1.57 million in Q1 FY2012
- Group to distribute an interim special cash dividend of 0.3 s/cents per share
- Group seeks further growth in overseas markets and students dormitories through proposed expanded mandate

| | 1 Jan 12 to 31 Mar 12 (1Q 2012) S\$'000 | 1 Jan 11 to 31 Mar 11 (1Q 2011) S\$'000 | Increase % |
|--------------|---|---|---------------|
| Revenue | 12,975 | 3,125 | 315 |
| Gross Profit | 5,701 | 2,279 | 150 |
| Gross Margin | 44% | 73% | - |
| Net Profit | 1,570 | 1,520 | 3 |

Singapore, 10 May 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 first quarter ended 31 March 2012 (“Q1 FY2012”).

In Q1 FY2012, the Group registered total revenue of S\$12.98 million, representing a 315% jump from S\$3.13 million in Q1 FY2011. The increase was attributed to inclusion of sales revenue from the Optical Disc Business of S\$7.35 million, as well as increased contribution from revenue growth in the Dormitory Business through an upward rental revision at Westlite Dormitory and the newly acquired dormitories of approximately S\$0.40 million and S\$2.10 million respectively. Consequently, revenue growth from the Dormitory Business rose by S\$2.50 million to approximately S\$5.63 million.

The Group’s gross profit increased 150% from S\$2.28 million in Q1 FY2011 to S\$5.70 million in Q1 FY2012, due to the inclusion of the Optical Disc Business and the increased contribution from the Dormitory Business. Gross profit margin for the Group’s Optical Disc Business increased by 5% to 29% due to a reduction in fixed manufacturing overheads whereas the Dormitory Business, saw a decrease in gross profit margin to 63% due to higher operating costs incurred from the newly acquired dormitories. Overall gross margin averaged at 43.9%, an improvement of 2.1 percentage points over the last quarter, Q4 FY2011.

The Group reported higher overall distribution and administrative expenses for Q1 FY2012 due to the inclusion of higher operating expenses from the Optical Disc Business. It also included costs incurred in the acquisition of the dormitory at Tuas, Singapore and the increased salary and professional costs associated with the expansion of the Group's Dormitory Business.

The Group registered a net profit of S\$1.57 million in Q1 FY2012, a 3% increase from S\$1.52 million in Q1 FY2011. To demonstrate its gratitude to shareholders for their unwavering support in the Group's transition over the past year, the Group will propose an interim special cash dividend of 0.3 s/cents per share for Q1 FY2012.

Mr Kong Chee Min (江志明), CEO of Centurion said, "We have achieved very tangible results in our Dormitory Business adopting a prudent and progressive expansion strategy to balance between organic and inorganic growth for the long term. The ability to source for good accretive assets whilst ensuring cost of operations is managed effectively is key in charting this growth. We are convinced of the opportunities present in this business segment and will continue to roll out plans to capitalise on them."

"At the same time, we remain mindful of the challenges within the Optical Disc Business and will manage overheads to ensure positive cash flow generation continues." Mr Kong added.

Outlook

The Group's Dormitory Business is a key beneficiary of the strong demand for quality workers accommodation in Singapore, which is expected to remain robust despite measures introduced by the Ministry of Manpower to curb and reduce the reliance of unskilled foreign workers. This is due to the current shortage of quality purpose-built workers dormitories, coupled with continued demand for unskilled foreign labour in the key industries of construction, marine, and oil and gas.

In view of the above, the Group has embarked on an effort to increase its supply of beds through asset enhancement initiatives and acquisition projects including expanding bed capacity at Westlite Dormitory from 5,300 to 8,000, and acquiring more dormitory assets. The Group completed the acquisition of a foreign workers dormitory in Tuas, Singapore on 29 February 2012. 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 Malaysia, the Group successfully expanded its portfolio through the acquisition of three dormitory sites in Johor at Johor Tech Park, Ulu Tiram and Tebrau 4. Johor Tech Park, with approximately 6,000 beds in capacity is expected to commence operations when construction completes in Q3 FY2012. Ulu Tiram is undergoing renovation and will house approximately 1,700 beds in Q2 FY2012. The third site at Tebrau 4 has capacity for 2,600 beds and is an operational dormitory. 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 as at 31 March 2012)

In addition, the Group's joint venture, Lian Beng-Centurion Mandai Pte Ltd ("LBCM") has sold 91% of the units in a planned ramp-up industrial building. Construction of the building and the

adjacent 4,750-bed workers dormitory is in progress and will be completed towards the end of FY2012. Once completed, the Group will be able to recognise the gain on sales from the industrial building units. LBCM is also applying for planning approval to build an additional dormitory block on the remaining unused plot of land.

Besides seeking growth through active asset enhancement initiatives and regular rent revisions, the Group will continue to explore acquisition opportunities in new overseas markets as well as ancillary and related businesses. To that end, the Group is currently seeking shareholders' approval to broaden its business scope to include certain geographies and the student accommodation business.

Mr Kong said, "We are constantly seeking ways to expand our footprint in Singapore and the region. With approximately 16,500 beds in our workers dormitory portfolio, and approximately 15,000 more in the pipeline, we are well-poised to capture demand for workers dormitory in our existing markets. To continue on our growth trajectory, we are looking to broaden our mandate to make further investments in workers as well as student accommodation sectors. We believe that this would allow us to secure additional revenue streams with a more diversified portfolio, enabling us to deliver greater, sustainable value to our shareholders in the long run."

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

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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 in Singapore 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, which will be developed into dormitories on part of the land. In Malaysia, through its subsidiary Centurion Dormitories Sdn. Bhd., it owns and operates Tebrau IV Dormitory, it also owns 90% of the share capital of Goodwill Origins Sdn. Bhd. the beneficial owner of a plot in Senai, Johor, on which a dormitory is being developed. The Group recently acquired Gallery Connection Sdn. Bhd., the owner of a dormitory asset in Ulu Tiram, Johor, which will become operational once renovations are completed. In addition, the Group is 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 31 March 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 | 8,600 | 8,600 |
| Malaysia | Tebrau Dormitory | 2,600 | 2,600 |
| | Johor Tech Park Dormitory (under development) | - | 6,000 |
| | Ulu Tiram Dormitory (under renovation) | - | 1,700 |
| | Total | 16,500 | 31,600 |

**upon completion of renovation work / upgrading works/ construction*