



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

## PRESS RELEASE

### *For Immediate Release*

### **CENTURION DELIVERS ROBUST GROWTH FOR 3Q 2012**

- Revenue increased from S\$9.86 million in 3Q 2011 to S\$17.67 million in 3Q 2012
- Group achieved net profit of S\$2.74 million and S\$6.59 million in 3Q 2012 and 9M 2012 respectively
- Group to continue enjoying strong demand for quality workers accommodation
- Group seeks revenue diversification in overseas markets and other similar asset classes

|                     | 1 Jul 12 to<br>30 Sep 12<br>(3Q 2012)<br>S\$'000 | 1 Jul 11 to<br>30 Sep 11<br>(3Q 2011)<br>S\$'000 | Increase<br>% | 1 Jan 12 to<br>30 Sep 12<br>(9M 2012)<br>S\$'000 | 1 Jan 11 to<br>30 Sep 11<br>(9M 2011)<br>S\$'000 | Increase<br>% |
|---------------------|--|--|---------------|--|--|---------------|
| <b>Revenue</b>      | 17,666   | 9,856  | 79            | 47,671   | 16,114   | 196           |
| <b>Gross Profit</b> | 7,189  | 4,220  | 70            | 18,627   | 8,855  | 110           |
| <b>Gross Margin</b> | 41%  | 43%  | -             | 39%  | 55%  | -             |
| <b>Net Profit</b>   | 2,737  | (10,954)   | N.M.          | 6,587  | (7,877)  | N.M.          |

**Singapore, 8 November 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 third quarter (“Q3 2012”) and nine months (“9M 2012”) ended 30 September 2012.

In 3Q 2012, the Group registered total revenue of S\$17.67 million, representing a 79% increase from S\$9.86 million in 3Q 2011. This contributed to a threefold increase in the Group’s 9M 2012 revenue to S\$47.67 million, from S\$16.11 million in 9M 2011. The S\$31.56 million revenue growth from 9M 2011 is mainly attributable to two factors. Firstly, it accounts for a S\$14.33 million gain due to the inclusion of nine months’ revenue from the Group’s Optical Disc Business in 9M 2012 compared to only two months’ revenue inclusion in 9M 2011.<sup>1</sup> Secondly, the Group

<sup>1</sup> On 1 August 2011, the Company completed its acquisition the former Centurion Dormitory (Westlite) Pte Ltd (“Westlite”) via a reverse acquisition exercise. In accordance with FRS 103, the Group’s consolidated financial statements were prepared as a continuation of Westlite’s financial statements. As such, Q3 2011 and 9M 2011 financial results comprised the financial results of Westlite for the period from 1 January to 30 September 2011 and results of the enlarged group for the period 1 August to 30 September 2011, while Q3 2012 and 9M 2012 financial results included three months and nine months financial results of the enlarged group respectively.

enjoyed a S\$17.23 million growth in its Dormitory Business revenue due to contributions from new dormitories acquired.

As a result of its revenue gains for the year-to-date, the Group's gross profit increased 110% from S\$8.86 million in 9M 2011 to S\$18.63 million in 9M 2012.

The Group reported higher overall distribution and administrative expenses for 9M 2012 due to the inclusion of sales and marketing expenses from the Optical Disc Business, the costs incurred in acquiring new dormitories and increased salary and professional costs associated with the expansion of the Group's Dormitory Business. Finance costs grew in line with increased borrowings incurred by the Group to fund its acquisitions.

On the whole, the Group reversed its loss of S\$7.88 million for 9M2011 to a net profit of S\$6.59 million for 9M 2012. With its 9M 2011 net profit adjusted to exclude a one-off goodwill impairment of S\$12.97 million incurred in the reverse acquisition exercise, the Group achieved a 29% growth in net profit for 9M 2012. The Group's Dormitory Business continued to contribute strongly as it accounted for S\$6.14 million, or approximately 93%, of its 9M 2012 net profits.

Mr Kong Chee Min (江志明), CEO of Centurion said, "It has been a year since our reverse acquisition exercise and we are pleased with our performance thus far. We have grown our total capacity since 3Q 2011 from 5,300 beds to 24,100 beds in operation with another 15,990 beds in the pipeline. We expect our workers accommodation projects to contribute further to our revenues as they become operational in the coming months given the strong market fundamentals that support our Dormitory Business."

### **Robust demand keeping occupancy rates high**

In Singapore, the Group's dormitories at Toh Guan and Tuas are expected to continue operating at high occupancy levels, backed by strong demand for purpose-built workers dormitory. The Group's third Singapore dormitory at Mandai, in which it has a 45% share, is currently under construction. It is expected to commence operations in the second quarter of 2013 after completing the first phase of construction for 4,750 beds. The second phase of construction for an additional 1,540 beds will be completed in the fourth quarter of 2013.

In Malaysia, the Group's two operational dormitories at Tebrau and Desa Cemerlang enjoyed average monthly occupancy rates at about 80% during 3Q 2012. Its newly developed dormitory at Johor Technology Park has recently commenced operations and is well received by companies operating in its vicinity. The Group also has two other dormitories that are currently under development or refurbishments. It expects its Malaysia portfolio to benefit from the growing demand for quality workers accommodation as industries in southern Johor continue to develop.

### **Growth and diversity through new acquisitions**

The Group made two acquisitions in September to October 2012 in its efforts to grow and diversify its portfolio. In October 2012, The Group acquired a dormitory asset situated within a

residential enclave at Pasir Gudang in Johor Bahru. It is undergoing refurbishments and the Group expects the dormitory to commence operations by the end of this year with a capacity of 1,000 beds.

In September 2012, the Group announced its first foray into the accommodation sector in Port Hedland, Western Australia with the acquisition of four adjacent plots of land. It is currently in the process of obtaining the relevant permits for the development of an accommodation property targeting mining industry workers and business executives of the Pilbara region. In applying its highly exportable brand of management expertise to its future operations at Port Hedland, the Group is looking to diversify its revenue streams towards accretive acquisitions in sectors closely related to its existing dormitory business.

The Group continues to actively explore further acquisition and management opportunities in Asia-Pacific to capitalise on the demand for quality workers accommodation. (Please refer to the appendix for a summary of the Group's asset portfolio as at 30 September 2012)

Mr Kong added, "We have sustained our growth pace with the acquisition of seven properties in Singapore, Malaysia and Australia within a year. Further to this, we are actively seeking more acquisitions to not only diversify, but to also strengthen our portfolio. We are also looking toward undertaking further asset enhancement initiatives to boost the quality of our assets. This organic growth helps us increase the returns on our assets and investments as we strive to deliver greater value to our investors."

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## **ABOUT CENTURION CORPORATION LIMITED**

Centurion Corporation Limited, formerly known as SM Summit Holdings Limited, owns and operates foreign workers' dormitory assets, as well as a storage disc manufacturing business. The Group's dormitory assets in Singapore include Westlite Dormitory (Toh Guan) Pte. Ltd. the owner-operator of Westlite Dormitory located at 18 Toh Guan Road East and Westlite Dormitory (Tuas) Pte. Ltd., the owner-operator of Tuas Lodge, one of the largest single dormitories in Singapore. The Group also owns 45% of the issued share capital of Lian Beng-Centurion (Mandai) Pte. Ltd. which owns a piece of freehold land in Mandai, and is being developed into a ramp up industrial building and the foreign workers' dormitories. In Malaysia, through its subsidiary Centurion Dormitories Sdn. Bhd., it wholly owns Westlite Dormitory (Tebrau) Sdn. Bhd. and Westlite Dormitory (Cemerlang) Sdn. Bhd., which are the owner-operators of dormitory assets. It also owns Westlite Dormitory (JB Techpark) Sdn. Bhd., Westlite Dormitory (Tampoi) Sdn. Bhd. and Duke Dormitory Sdn. Bhd. the registered and beneficial owners of three land areas in Johor, on which dormitories are being developed or refurbished. 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 30 September 2012)

| Location         | Dormitory  | Current Capacity<br>(no. of beds) | Expected Capacity*<br>(no. of beds) |
|------------------|--|-----------------------------------|-------------------------------------|
| <b>Singapore</b> | Westlite Dormitory<br>(to commence upgrading )           | 5,300                             | 8,000                               |
|                  | Mandai Dormitory<br>(under development)                  | -                                 | 6,290                               |
|                  | Tuas Dormitory   | 8,600                             | 8,600                               |
| <b>Malaysia</b>  | Tebrau Dormitory   | 2,600                             | 2,600                               |
|                  | Johor Tech Park<br>Dormitory                             | 6,000                             | 6,000                               |
|                  | Desa Cemerlang<br>Dormitory                              | 1,600                             | 1,600                               |
|                  | Tampoi Dormitory<br>(under development)                  | -                                 | 6,000                               |
|                  | Pasir Gudang Dormitory<br>(undergoing<br>refurbishments) | -                                 | 1,000                               |
|                  | Total  |                                   | 24,100                              |

*\*upon completion of refurbishments / upgrading works/ construction*