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

PRESS RELEASE

For Immediate Release

CENTURION REVENUE DOUBLES IN FY2012

- Revenue increased by 117% to S$65.23 million in FY2012
- Gross profit grew 76% to S$25.74 million in FY2012
- Net profit grew 37% to S$9.5 million in FY2012
- Positive results supported largely by recent expansion and acquisitions in the Accommodation Business
- Dividend of 0.4 cent per ordinary share declared for 4Q 2012, resulting in a total dividend of 0.7 cents per ordinary share for FY2012

	1 Oct 12 to 31 Dec 12 (4Q 2012) S$'000	1 Oct 11 to 31 Dec 11 (4Q 2011) S$'000	Change %	1 Jan 12 to 31 Dec 12 (FY2012) S$'000	1 Jan 11 to 31 Dec 11 (FY2011) S$'000	Change %
Revenue	17,560	13,930	26	65,231	30,044	117
Gross Profit	7,109	5,817	22	25,736	14,663	76
Gross Margin	40%	42%	(2% pts)	40%	49%	(9% pts)
Net Profit	2,910	1,716	70	9,496	6,908*	37

*excluding one-off goodwill impairment amounting to S$12.97 million and the one-off reverse acquisition expense of S$0.1 million in FY2011

Singapore, 26 February 2013 - 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 accommodation assets ("Accommodation Business") and the manufacturing and sale of optical storage media ("Optical Disc Business"), today announced its financial results for the fourth quarter ("4Q 2012") and full year ("FY2012") ended 31 December 2012.

The Group recorded a 26% increase in revenue from S$13.93 million in 4Q 2011, to S$17.56 million in 4Q 2012. The Group's Accommodation Business recorded an increase of S$7.20 million in comparison to 4Q 2011, due to expansion and acquisition of accommodation assets. Accordingly, administrative and finance expenses increased by S$0.47 million and S$0.31 million respectively as a result of this growth.

For the Optical Disc Business, despite experiencing weak demand for its media storage products, the Group's sales of higher margin products, reduced depreciation and improvements in direct labour costs mitigated the fall in its gross profits by $0.52 million in comparison to 4Q FY2011. As a result, the Group achieved a 4Q 2012 net profit of S$2.91 million with its Accommodation and Optical Disc Business accounting for S$1.81 million (62.2%) and S$1.10 million (37.8%) respectively.

Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited said, "The robust market has continued to drive the growth of our Accommodation Business during the year and we are pleased with the positive progress made. Our strategy to focus on this segment through a holistic approach in managing the assets, actively adding value with our ancillary services, and making accretive acquisitions have paid off. We expect to continue on this path to expand our business, grow revenues, and maintain stringent cost controls to increase shareholders' return and gain a stronger foothold in the accommodation industry."

For FY2012, the Group attained a S$35.19 million increase in revenue, representing an improvement of 117% from FY2011. This increase comprised S$10.80 million from the inclusion of twelve months' revenue from the Group's Optical Disc Business in FY2012 (as opposed to only five months' revenue inclusion in FY2011); S$24.39 million earned from new assets acquired during the year as well as increased rental rates at the Westlite Dormitory (Toh Guan). Accordingly, the Group's gross profit for FY 2012 jumped 76% to S$25.74 million.

There were miscellaneous net gains of S$2.24 million in FY2012 from other rental, interest and dividend income. Distribution costs grew as expected to S$2.01 million, taking into account the full year's expenses from the Optical Disc Business for FY2012 (as opposed to only five months cost inclusion in FY2011). Due to the Group's acquisition and development of accommodation projects in Singapore, Malaysia and Australia, there was an associated increase in finance expenses of S$1.13 million. Administrative costs increased to S$11.03 million due to an additional seven months of operations for the Optical Disc Business and expenses related to the expansion of the Accommodation Business.

Related losses of S$0.32 million from associated companies and joint venture activities were mainly related to marketing costs of the factory unit sales by Lian Beng-Centurion (Mandai) Group (the "Joint Venture"). However, revenue from the sales will be recognised by the Joint Venture when the development is completed in FY2013.

The Group generated a net profit of S$9.50 million for FY2012, compared to a loss of S$6.16 million (or adjusted net profit of S$6.91 million, excluding the one-off goodwill impairment amounting to S$12.97 million and one-off reverse acquisition expense of S$0.1 million) in FY2011. The Group's Accommodation and Optical Disc Businesses contributed approximately S$7.95 million and S$1.55 million to this overall net profit respectively.

Considering the various acquisitions of accommodation assets and the weaker demand in the optical storage business in FY2012, the Group achieved a positive net cash flow of S$31.92 million through its operating activities, which translates to a 200% increase from FY2011. After spending S$59.33 million mainly to acquire interests in its subsidiaries and generating S$28.05 million from proceeds obtained from borrowing, its net cash and cash equivalents position stood at S$37.28 million for FY2012. Net asset value per share stood at 14.05 cents and the adjusted gearing ratio[1] was a comfortable 28% as at 31 December 2012.

[1] Adjusted gearing ratio is computed as total borrowings over the total capital. Total capital is calculated as total borrowings, plus revalued net asset value ("RNAV"). RNAV is the aggregate of net assets of the Group as at 31 December 2012 and the notional surplus arising from the revaluation made by external independent professional valuer. The notional surplus is not recorded in the financial statements but is used only for the computation of the adjusted gearing ratio.

The Group has declared a second and final dividend for FY2012 of 0.4 cents per ordinary share. When combined with the special interim dividend of 0.3 cents per ordinary share declared in the first quarter of the year, the total amount to be distributed for FY2012 would be 0.7 cents per ordinary share.

Outlook

The Group's Accommodation Business is expected to remain robust and a key factor in the Group's performance is supported by the demand for workers accommodation in the region, as well as asset enhancement initiatives for existing accommodation assets. In addition, it is committed to actively carrying out expansion plans in the region to strengthen its portfolio of well-managed dormitories.

In Singapore, both dormitories at Tuas and Toh Guan are expected to maintain their high occupancy rates and benefit from increases in the market rental rates. The Group is currently undertaking a facility upgrade at the Toh Guan site, which includes increasing bed capacity to 8,000. The upgrade is expected to be completed by the end of FY2013.

In addition, the Group's third dormitory in Singapore located at Mandai, in which it holds a 45% stake, is expected to commence operations with 4,750 beds in 2Q 2013 and increase to 6,290 beds by 4Q 2013 when it becomes fully operational. The development of the factory units at this site are expected to receive temporary occupancy permit towards the end of FY2013.

In Malaysia, the Group expects a steady growth in occupancy levels to contribute to its overall profitability in FY2013. The Group currently runs four operational dormitories in Johor, two of which recently commenced operations in 4Q 2012. The construction of the dormitory in Senai, Johor is nearing completion and is expected to commence operations in 2Q 2013.

In 3Q 2012, the Group acquired land in Port Hedland, Western Australia with the intent to develop accommodation for workers, business executives and visitors in the Pilbara region's mining industry. The land is within an amendment scheme in which the Port Hedland Council is currently in the process of obtaining rezoning approval for "Mixed Business" use and short-stay accommodation. Despite an objection from the Australian Environment Protection Authority ("EPA"), the local planning authorities at Port Hedland will be reiterating its support for the project, and will present its arguments to the relevant authority. The Group will provide further updates as they develop.

Mr Kong concludes, "FY2012 was a year of rapid growth for the Group as we capitalised on our expertise in property management to acquire further accommodation assets. We have built a solid foundation last year that will enable us to extend our regional reach and expand our scope in FY2013. This would put us in good position to be one of the region's leading accommodation providers."

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ABOUT CENTURION CORPORATION LIMITED

Centurion Corporation Limited, formerly known as SM Summit Holdings Limited, owns and operates accommodation assets, as well as a storage disc manufacturing business. The Group owns and operates two accommodation assets in Singapore and 45% of the issued share capital of Lian Beng-Centurion (Mandai) Pte. Ltd. which owns a piece of freehold land in Mandai, that is being developed into a ramp up industrial building and workers accommodation. In Malaysia, through its subsidiary Centurion Dormitories Sdn. Bhd., the Group owns and operates four purpose-built accommodation assets and two development projects in the state of Johor.

The Group currently has a portfolio of 13,900 and 11,200 beds in Singapore and Malaysia respectively. Upon completion of upgrading, renovation or development works, the Group's accommodation portfolio will grow to a total of up to 43,090 beds. The Group continues to tap on its expertise in the workers' accommodation business in seeking new business opportunities in areas such as student hostels and other short-stay accommodation for business executives and workers. In September 2012, it announced its foray into the Australian accommodation business with the acquisition of land in Port Hedland, Western Australia which it intends to develop to cater for workers and business executives in the region's mining industry. 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 December 2012)

Location	Dormitory	Current Capacity (no. of beds)	Expected Capacity* (no. of beds)
Singapore	Toh Guan Dormitory (under upgrade)	5,300	8,000
	Mandai Dormitory (under development)	-	6,290
	Tuas Dormitory	8,600	8,600
Malaysia	Tebrau Dormitory	2,600	2,600
	Johor Tech Park Dormitory	6,000	6,000
	Desa Cemerlang Dormitory	1,600	1,600
	Pasir Gudang Dormitory	1,000	1,000
	Tampoi Dormitory (under development)	-	6,000
	Senai Dormitory (under development)	-	3,000
	Total	25,100	43,090

**upon completion of upgrading works/ construction*