



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

## PRESS RELEASE

### *For Immediate Release*

#### **CENTURION CONTINUES TO BOOST EARNINGS FOR Q1 FY2013**

- Revenue increased 23% to S\$16 million in Q1 FY2013
- Group net profit grew 78% to S\$2.19 million in Q1 FY2013
- Westlite Mandai commenced operations in April 2013; expects close to 70% of available beds booked within next quarter

	1 Jan 13 to 31 Mar 13 (1Q 2013) S\$'000	1 Jan 12 to 31 Mar 12 (1Q 2012) S\$'000	Increase %
Revenue	15,999	12,975	23
Gross Profit	6,386	5,289	21
Gross Margin	40%	41%	(1) pp
Net Profit	2,187	1,227	78

**Singapore, 15 May 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 owning, 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 first quarter ended 31 March 2013 (“Q1 FY2013”).

#### **First Quarter’s Performance**

In Q1 FY2013, the Group registered a total revenue of S\$16 million, representing a 23% increase from S\$12.98 million in Q1 FY2012. The increase was attributed to the expansion and growth in the Group’s Accommodation Business which registered a turnover of S\$11.14 million in Q1 FY2013, accounting for approximately 69.6% of the Group’s revenue. The Accommodation Business recorded continual quarterly growth as rising occupancy levels in existing assets and contributions from newly-acquired assets contribute to top and bottom line. Revenue from the Optical Disc Business, fell \$2.50 million in Q1 FY2013 as compared to the corresponding quarter last year due to moderating market demand for physical storage media.

The Group’s gross profit increased 21% from S\$5.29 million in Q1 FY2012 to S\$6.39 million in Q1 FY2013. Overall gross margin was approximately 40%, a decrease of approximately 1 percentage points from Q1 FY2012. This was due to higher operating costs incurred from the accommodation assets acquired in FY2012.

At the operating cost level, the Group lowered overall distribution expenses due to the lower sales generated from the Optical Disc Business. Administrative expenses increased as a result of higher salaries and professional fees associated with the expansion of the Accommodation Business. Finance costs shrank year-on-year in the absence of the one-off cost of S\$0.43 million incurred in Q1 FY2012 in relation to the acquisition of Westlite Tuas.

During the quarter, the Group incurred a share of losses from associated companies and joint ventures amounting to S\$0.06 million from Lian Beng-Centurion (Mandai) Pte Ltd, in which the Group has a 45% stake. The Group has yet to recognise its share of revenues from the sale of units in the industrial development and expects to do so later in FY2013 when it receives its temporary occupation permit.

On the back of higher revenue in Q1 FY2013, the Group recorded a 78% increase in net profit to S\$2.19 million in Q1 FY2013.

Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited said, "We are happy to deliver to our shareholders another quarter of growth. The performance of our Accommodation Business reaffirms our focus to grow this segment, as we seek to cater to the region's demand for purpose-built accommodation facilities and related ancillary services."

## **Outlook**

The Group's Accommodation Business is expected to benefit from the strong demand for quality worker's accommodation in Singapore, which is expected to remain robust in the medium term. With an aggregate capacity of about 14,000 beds in Westlite Toh Guan and Westlite Tuas, the Group continues to maintain high occupancy levels at these properties.

In addition, the Group's third workers accommodation asset in Singapore located at Mandai ("Westlite Mandai"), in which it holds a 45% stake, has commenced operations with 4,750 beds in April 2013. Through active pre-selling efforts, Westlite Mandai was able to secure rental contracts and committed bookings for 50% of its capacity within its first month of operations. It is expected to receive further booking commitments which will fill up close to 70% of its available capacity by next quarter. When the second phase of the development is completed in the fourth quarter of 2013, Westlite Mandai will have a total capacity of 6,290 beds. The development of the factory units at Mandai is also expected to receive its temporary occupancy permit towards the end of FY2013.

In Malaysia, the Group expects its four operational accommodation assets in Johor to experience steady growth in occupancy levels, which will contribute positively to profitability in FY2013. The first phase in the development of the 3,000-bed dormitory at Senai, Johor Bahru is expected to complete and commence operations in Q3 FY2013. The recently acquired asset in Pasir Gudang is currently undergoing refurbishment and is expected to commence operations in Q3 FY2013 with a capacity of approximately 1,000 beds.

With respect to the Group's project at Port Hedland in Australia, the plot of land is still undergoing the re-zoning approval process, as previously announced. Timely updates will be provided when there are significant developments.

Mr Kong said, "We are optimistic about our growth prospects in the region. As our new accommodation projects start contributing to revenues with steady growth in occupancy rates, we are well-positioned to strengthen our foothold in the region. In accordance with our expansion plans, we continue to actively seek and explore opportunities in the region to own, develop and manage more accommodation assets and provide related ancillary services."

The Group's Optical Disc Business is expected to continue generating healthy cash flows for the Group despite a challenging business environment. Centurion will carefully calibrate its factory capacity according to demand, and exercise prudent cost management strategies to ensure its continual contribution to the Group.

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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 18,650 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 50,090 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.

## **MEDIA CONTACTS**

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**APPENDIX****The Group's Asset Portfolio (as at 31 March 2013)**

<b>Location</b>	<b>Dormitory</b>	<b>Current Capacity (no. of beds)</b>	<b>Expected Capacity* (no. of beds)</b>
<b>Singapore</b>	Toh Guan Dormitory (under upgrade )	5,300	8,000
	Mandai Dormitory (under development)	4,750	6,290
	Tuas Dormitory	8,600	8,600
<b>Malaysia</b>	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
	Pasir Gudang II Dormitory		1,000
	Tampoi Dormitory (under planning)	-	6,000
	Senai Dormitory (under development)	-	3,000
	Senai Dormitory II (under planning)	-	6,000
	<b>Total</b>		<b>29,850</b>

*\*upon completion of upgrading works/ construction*