



PRESS RELEASE

For Immediate Release

CENTURION'S ACCOMMODATION BUSINESS CONTINUES TO DRIVE GROWTH WITH 22% INCREASE IN NET PROFIT IN Q3 2013

- Accommodation Business continues to grow strongly with revenue growth of 29% in 9M 2013
- Gross margins show improvement to 53% in 3Q 2013, as the Accommodation Business continues to make more significant contributions
- Occupancy rates continue to be robust at close to 100% in Singapore and improve to 70% in Malaysia

	1-Jul-13 - 30 Sep 13 (3Q 2013) \$'000	1 Jul 12 - 30 Sep 12 (3Q 2012) \$'000	Increase %	1 Jan 13 - 30 Sep 13 (9M 2013) \$'000	1 Jan 12 - 30 Sep 12 (9M 2012) \$'000	Increase %
Revenue	16,786	17,666	-5%	48,841	47,671	2%
Gross Profit	8,875	8,871	0%	25,119	22,669	11%
Gross Margin	53%	50%	3 pp	51%	48%	3 pp
Net Profit	5,393	4,419	22%	65,217	10,629	514%

Singapore, 11 November 2013 - Centurion Corporation Limited (胜捷企业有限公司) (“Centurion”, the “Company”, or together with its subsidiaries, the “Group”) which owns, develops and manages quality workers accommodation assets under the WESTLITE brand, today announced its financial results for the third quarter (“3Q 2013”) and three quarters (“9M 2013”) ended 30 September 2013.

The Group’s workers accommodation business registered a quarter on quarter increase of 12% or \$1.3 million in sales revenue while the Group’s optical disc business declined by 31% or \$2.2 million in Q3 2013. As a result, the Group’s overall revenue recorded a decrease of \$0.9 million or 5% to \$16.8 million in Q3 2013 as compared to \$17.7 million in Q3 2012.

The Group’s workers accommodation business has continued to register growth. Besides benefiting from the market rental revisions and occupancy rates of close to 100% in Singapore, the gradual increase in the occupancy rate of the Group’s workers accommodation in Malaysia has further contributed to the increase in the quarter’s revenue. The average occupancy rate for the Group’s Malaysia workers accommodation has increased to about 70% in September

2013, excluding the new workers dormitory in Senai, Johor Bahru which has just commenced operations.

The Group's gross profit margin improved from 50% to 53% attributable to the larger contributions from the higher-margin accommodation business.

The Group achieved a net profit of S\$5.4 million for Q3 2013, an increase of 22% from \$4.4 million for Q3 2012, of which the workers accommodation business accounted for \$5.7 million, a growth of 33% compared to Q3 2012, while the optical disc business incurred a loss of \$0.3 million compared to a profit of \$0.1 million in Q3 2012.

On a nine-month basis, the Group's revenue registered an increase from \$48 million in 2012 to \$49 million in 2013. The Group's worker's accommodation business achieved 29% growth or a \$7.8 million increase in revenue compared to the corresponding period last year. The Group's optical disc business however registered a decrease of \$6.6 million or a 32% decline in revenue as demand for the Group's physical optical disc media continued to weaken. Accordingly, the Group's overall net revenue registered an increase of only \$1.2 million or 2% from 9M 2012.

The fair value gain on investment properties of \$36.4 million and the fair value gain on joint venture's investment property of \$19.5 million were recognized in Q2 2013 and comprise the change in fair value since the end of the last financial year.

Overall, the Group posted a net profit of \$65.2 million for 9M 2013. Excluding the total fair value gains of \$55.9 million and the one-off impairment charge of \$3.9 million, the Group's net profit in 9M 2013 was \$13.2 million which is an improvement of 25% or \$2.6 million compared to the corresponding period last year.

The Group's workers accommodation accounted for \$14.4 million in net profit while its optical disc business incurred a loss of \$1.2 million in 9M 2013. Despite the loss in the optical disc business, it contributed about \$0.4 million towards the Group's operating cash flow in 9M 2013.

Mr Kong Chee Min (江志明), CEO of Centurion Corporation Limited said, "Centurion's focus on the accommodation business underpins the company's growth as profit and margins continue to register healthy increments. We are confident that our efforts to seek growth opportunities in other geographical territories as well as other accommodation types, including student, executive and short stay accommodation will further enhance value for our business and its shareholders."

Last Friday evening, Centurion Corp was awarded runners-up in the "Most Transparent Company Award 2013 – Technology" category at the Securities Investors Association Singapore (SIAS), 14th Investors' Choice Awards 2013.

Outlook

The Group's accommodation business is expected to remain strong. Underpinned by strong demand for workers accommodation in Singapore where its facilities at Tuas, Toh Guan and Mandai are expected to retain their almost-full occupancy rates. Upgrading works at Toh Guan dormitory to enhance its facilities and increase its bed capacity to approximately 8,600 beds is on track. The works are expected to complete in Q1 2014.

The second phase of the development at Mandai dormitory to increase its capacity by an additional 1,540 beds, was completed in September 2013 and is expected to contribute positively to the Group's profitability. The profits on the sale of the factory units, in which the Group has a 45% share, shall be recognized when it receives its temporary occupancy permit which is expected to be within the next six months.

The Group also recently won a land tender for a 4,100-bed development in Woodlands, which is expected to be completed in 2015.

In Malaysia, the Group expects a steady growth in occupancy levels from the current 70%, contributing positively to profitability in FY2013. The Group's property in Pasir Gudang is currently still undergoing refurbishment. This is expected to complete in Q4 2013 and will add another 1,000 beds to the Group's capacity.

There has been no progress with regards to the rezoning of the Group's plot of land at Port Hedland. The Group will provide updates on significant developments that may arise.

The operating environment for the Group's optical disc business remains difficult. Market demand for physical storage media is expected to fall further with the changing consumer preference to consume media content via mobile/internet downloads and streaming rather than through physical packaged media. The Group will evaluate different restructuring options to ensure that the business continues to contribute positively to the Group.

In accordance with its expansion plans, the Group continues to actively seek and explore acquisition and management service opportunities in its accommodation business, both in Singapore and overseas. The recent tender win for the 4,100-bed new Woodlands site is a strong testament to the Group's commitment to further grow their accommodation business.

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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 18,186 and 13,520 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 over 50,000 beds. . The Group continues to tap on its expertise in the workers accommodation business to seek new business opportunities in student accommodation and 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 30 September 2013)

Location	Dormitory	Current Capacity (no. of beds)	Expected Capacity* (no. of beds)
Singapore	Toh Guan Dormitory (under upgrade)	4,836	8,600
	Mandai Dormitory (under development)	4,750	6,290
	Tuas Dormitory	8,600	8,600
	Woodlands Dormitory	0	4,100
	Total in Singapore	18,186	27,590
Malaysia			
	Tebrau Dormitory	2,480	2,480
	Johor Tech Park Dormitory	5,800	5,800
	Desa Cemerlang Dormitory	1,600	1,600
	Pasir Gudang I Dormitory	1,000	1,000
	Pasir Gudang II Dormitory (under development)	0	1,000
	Tampoi Dormitory (under planning)	0	6,000
	Senai Dormitory	2,640	2,640
	Senai Dormitory (under planning)	0	6,000
	Total in Malaysia	13,520	26,520
Group Total		31,706	54,110

**upon completion of upgrading works/ construction in 2015*