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

2011 Second Quarter and Half-Year Financial Statement Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR AND FULL YEAR RESULTS

Financial statements on consolidated results for the Second Quarter and Half-Year ended 30 June 2011
These figures have not been audited.

1(a)(i) Income statement

	Group Second Quarter ended 30 June			Group Half-Year ended 30 June		
	2011 $ '000	2010 $ '000	Change %	2011 $ '000	2010 $ '000	Change %
Sales	8,874	9,303	(5)	17,462	17,279	1
Cost of sales	(6,669)	(7,359)	(9)	(13,161)	(13,946)	(6)
Gross profit	2,205	1,944	13	4,301	3,333	29
Other gains / (losses) (net)						
- Miscellaneous	378	(81)	N/M	624	410	52
Expenses						
- Distribution	(650)	(661)	(2)	(1,296)	(1,425)	(9)
- Administrative (Note 1)	(3,460)	(2,235)	55	(5,432)	(4,222)	29
- Finance	(10)	(22)	(55)	(18)	(48)	(63)
Loss before share of (loss) / profit of associated companies	(1,537)	(1,055)	46	(1,821)	(1,952)	(7)
Share of (loss)/profit of associated companies (net)	(60)	43	N/M	(170)	130	N/M
Loss before income tax	(1,597)	(1,012)	58	(1,991)	(1,822)	9
Income tax (expense) / credit	(163)	(51)	220	(170)	(14)	1,114
Net loss	(1,760)	(1,063)	66	(2,161)	(1,836)	18
Attributable to:						
Equity holders of the Company	(1,760)	(1,014)	74	(2,161)	(1,787)	21
Non-Controlling Interest	-	(49)	N/M	-	(49)	N/M
	(1,760)	(1,063)	66	(2,161)	(1,836)	18

Note 1
Included in Administrative Expense is $1.5 million cost relating to the acquisition of the Centurion Dormitory (Westlite) Pte Ltd ("Westlite") and for the acquisition of 45% share capital in Lian Beng-Centurion (Mandai) Pte Ltd ("JVCo").

Excluding $1.5 million cost, loss before income tax for Q2 2011 was $97,000 and 1H 2011 was $491,000.

1(a)(ii) Explanatory Notes to Income Statement

Loss for the period is arrived at after (charging) / crediting the following :

	Second Quarter ended 30 June			Half-Year ended 30 June		
	2011 $ '000	2010 $ '000	Change %	2011 $ '000	2010 $ '000	Change %
Dividend income	52	53	(2)	104	105	(1)
Other Income including interest income	449	257	75	760	536	42
Interest expense	(10)	(22)	(55)	(18)	(48)	(63)
Depreciation and Amortisation	(901)	(1,323)	(32)	(1,789)	(2,682)	(33)
Write back / (allowance) for impairment of trade and other receivables (net)	23	(3)	N/M	23	(92)	N/M
Currency exchange loss (net)	(91)	(387)	(76)	(204)	(243)	(16)
Adjustments for overprovision of prior year tax	43	-	N/M	43	88	100
Net gain / (loss) on sale of property, plant & equipment & investment properties	40	(4)	N/M	36	12	100

The miscellaneous gains (net) comprise the following:

	Second Quarter ended 30 June			Half-Year ended 30 June		
	2011 $ '000	2010 $ '000	Change %	2011 $ '000	2010 $ '000	Change %
Rental income	236	118	100	444	252	76
Interest income	117	128	(9)	250	246	2
Dividend income	52	53	(2)	104	105	(1)
Currency exchange loss (net)	(91)	(387)	(76)	(204)	(243)	(16)
Others	64	7	814	30	50	(40)
Other miscellaneous gains - net	378	(81)	N/M	624	410	52

N/M : Not meaningful

1(a)(iii) Statement of Comprehensive Income

	Second Quarter ended 30 June			Half-Year ended 30 June		
	2011 $ '000	2010 $ '000	Change %	2011 $ '000	2010 $ '000	Change %
Net loss for the period	(1,760)	(1,063)	66	(2,161)	(1,836)	18
Currency translation differences	(19)	(797)	(98)	(58)	(335)	(83)
Financial assets, available-for-sale - Fair value gain	90	116	(22)	45	8	463
	71	(681)	N/M	(13)	(327)	(96)
Total comprehensive income for the period	(1,689)	(1,744)	(3)	(2,174)	(2,163)	1
Attributable to:						
Equity holders of the Company	(1,689)	(1,695)	(0)	(2,174)	(2,114)	3
Non-Controlling Interest	-	(49)	N/M	-	(49)	N/M
	(1,689)	(1,744)	(3)	(2,174)	(2,163)	1

1(b)(i) Balance Sheet

	Group		Company	
	30 Jun 11	31 Dec 10	30 Jun 11	31 Dec 10
	$ '000	$ '000	$ '000	$ '000
Current assets				
Cash and cash equivalents	18,258	21,010	6,828	7,040
Trade and other receivables	16,433	17,173	12,826	15,684
Current income tax recoverable	-	-	-	-
Inventories	3,182	2,796	-	-
Other current assets	1,839	1,789	856	786
	39,712	42,768	20,510	23,510
Non-current assets				
Trade and other receivables	-	-	8,753	8,727
Financial assets, available-for-sale	4,533	4,488	4,533	4,488
Investments in associated companies	2,410	2,647	1,298	1,298
Investments in subsidiaries	-	-	9,384	9,384
Property, plant & equipment	11,668	12,632	152	109
Intangible assets	64	64	-	-
	18,675	19,831	24,120	24,006
Total assets	**58,387**	**62,599**	**44,630**	**47,516**
Current liabilities				
Trade and other payables	(10,417)	(10,292)	(2,397)	(1,813)
Current income tax liabilities	(876)	(900)	(424)	(435)
Borrowings	(470)	(492)	(23)	(34)
	(11,763)	(11,684)	(2,844)	(2,282)
Non-current liabilities				
Borrowings	(83)	(72)	-	(9)
Deferred income tax liabilities	(592)	(683)	(25)	(28)
Other payables	(2,713)	(2,938)	(803)	(1,094)
	(3,388)	(3,693)	(828)	(1,131)
Total liabilities	**(15,151)**	**(15,377)**	**(3,672)**	**(3,413)**
Net assets	**43,236**	**47,222**	**40,958**	**44,103**
Equity				
Share capital	40,194	40,194	40,194	40,194
Other reserves	457	470	55	11
Retained earnings	2,585	6,558	709	3,898
Total equity	**43,236**	**47,222**	**40,958**	**44,103**

1(b)(ii) Group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

	As at 30 Jun 11 $'000	As at 31 Dec 10 $'000
Secured	153	97
Unsecured	317	395
Sub-Total	**470**	**492**

(b) Amount repayable after one year

	As at 30 Jun 11 $'000	As at 31 Dec 10 $'000
Secured	83	72
Unsecured	-	-
Sub-Total	**83**	**72**
Total Debt	**553**	**564**

(c) Details of any collateral

The Group's secured borrowings include lease liabilities. The lease liabilities are secured by fixed charges over the plant and machinery of the subsidiaries.

1 (c) Consolidated Cash Flow Statement

	Second Quarter ended 30 June		Half-Year ended 30 June	
	2011	2010	2011	2010
	$ '000	$ '000	$ '000	$ '000
Cash flows from operating activities				
Net loss	(1,760)	(1,063)	(2,161)	(1,836)
Adjustment for:				
Tax expense	163	51	170	14
Depreciation and amortisation	901	1,323	1,789	2,682
Net (gain) / loss from sale of property, plant and equipment	(40)	4	(36)	(12)
Interest income	(117)	(128)	(250)	(246)
Dividend income	(52)	(53)	(104)	(105)
Interest expense	10	22	18	48
Share of loss / (profits) of associated companies (net)	60	(43)	170	(130)
Cost incurred to acquire dormitory business	1,499	-	1,499	-
Operating cash flow before working capital changes	664	113	1,095	415
Changes in operating assets and liabilities,				
Inventories	(523)	(618)	(386)	(1,094)
Trade and other receivables	(295)	(1,653)	560	400
Other current assets	184	23	(50)	(59)
Trade and other payables	(597)	(629)	(795)	(2,091)
Currency translation differences	(17)	48	21	123
Cash generated from operations	(584)	(2,716)	445	(2,306)
Income tax (paid) / refunded - net	(242)	(123)	(284)	688
Net cash (used in) / provided by operating activities	(826)	(2,839)	161	(1,618)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	35	6	38	24
Purchase of property, plant and equipment	(497)	(129)	(807)	(157)
Capital injection in an associated company	-	-	-	(4)
Loan to an associated company	-	-	-	(100)
Interest received	117	128	250	246
Dividend received	52	53	104	105
Cost incurred to acquire dormitory business	(628)	-	(628)	-
Net cash (used in) / provided by investing activities	(921)	58	(1,043)	114
Cash flows from financing activities				
Proceeds from borrowings	138	-	161	-
Repayment of borrowings	(47)	(242)	(98)	(543)
Interest paid	(10)	(22)	(18)	(48)
Dividends paid to shareholders	(1,812)	(1,812)	(1,812)	(1,812)
Net cash used in financing activities	(1,731)	(2,076)	(1,767)	(2,403)
Net decrease in cash and cash equivalents held	(3,478)	(4,857)	(2,649)	(3,907)
Cash and cash equivalents at beginning of the period	-	-	19,060	18,106
Effects of exchange rate changes on cash and cash equivalents	21	(569)	(25)	(370)
Cash and cash equivalents at end of the year	(3,457)	(5,426)	16,386	13,829
* The consolidated cash and cash equivalents comprise the following:				
Cash and bank balances	(3,149)	(5,413)	18,258	16,302
Bank overdraft	(308)	(13)	(317)	(918)
Short-term bank deposits charged as security to bank	-	-	(1,555)	(1,555)
	(3,457)	(5,426)	16,386	13,829

1(d)(i) Statement of Changes in Equity

As at 30 June 2011 vs 30 June 2010

	← Attributable to equity holders of the Company →					
GROUP 2011	**Share Capital $'000**	**Other Reserves $'000**	**Retained Earnings $'000**	**Total Equity $'000**	**Non-Controlling Interest $'000**	**Total Equity $'000**
Balance as at 1 Jan 2011	40,194	470	6,558	47,222	-	47,222
Dividends relating to 2010 paid	-	-	(1,812)	(1,812)	-	(1,812)
Total comprehensive expense for the period	-	(13)	(2,161)	(2,174)	-	(2,174)
Balance as at 30 Jun 2011	**40,194**	**457**	**2,585**	**43,236**	**-**	**43,236**

GROUP 2010	**Share Capital $'000**	**Other Reserves $'000**	**Retained Earnings $'000**	**Total Equity $'000**	**Non-Controlling Interest $'000**	**Total Equity $'000**
Balance as at 1 Jan 2010	40,194	529	7,700	48,423	-	48,423
Dividends relating to 2009 paid	-	-	(1,812)	(1,812)	-	(1,812)
Issuance of shares in a subsidiary			(18)	(18)	568	550
Total comprehensive expense for the period	-	(327)	(1,787)	(2,114)	(49)	(2,163)
Balance as at 30 Jun 2010	**40,194**	**202**	**4,083**	**44,479**	**519**	**44,998**

COMPANY 2011	**Share Capital $'000**	**Other Reserves $'000**	**Retained Earnings $'000**	**Total $'000**
Balance as at 1 Jan 2011	40,194	11	3,898	44,103
Dividends relating to 2010 paid	-	-	(1,812)	(1,812)
Total comprehensive income for the period	-	44	(1,377)	(1,333)
Balance as at 30 Jun 2011	**40,194**	**55**	**709**	**40,958**

COMPANY 2010	**Share Capital $'000**	**Other Reserves $'000**	**Retained Earnings $'000**	**Total $'000**
Balance as at 1 Jan 2010	40,194	(76)	5,624	45,742
Dividends relating to 2009 paid	-	-	(1,812)	(1,812)
Total comprehensive (expense) / income for the period	-	8	(593)	(585)
Balance as at 30 Jun 2010	**40,194**	**(68)**	**3,219**	**43,345**

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's issued share capital.

The Company does not have any outstanding convertibles and treasury shares as at 30 June 2011 and 30 June 2010.

1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	30 Jun 11	31 Dec 10
Total number of issued shares excluding treasury shares	362,419,500	362,419,500

1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

2 **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2010.

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no significant changes in the Group's accounting policies and method of computation nor any significant impact on the financial statements.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

		Group			
		Second Quarter ended 30 June		Half-Year ended 30 June	
		2011	2010	2011	2010
(a)	Based on weighted average number of ordinary shares on issue	(0.49) cent	(0.28) cent	(0.6) cent	(0.49) cent
(b)	On a fully diluted basis	(0.49) cent	(0.28) cent	(0.6) cent	(0.49) cent

Note:
The earnings per share is calculated based on weighted average number of ordinary shares in issue of 362,419,500 (2010: 362,419,500) ordinary shares.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :
(a) current period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30 Jun 11	31 Dec 10	30 Jun 11	31 Dec 10
Net asset value per ordinary share	11.93 cents	13.03 cents	11.3 cents	12.17 cents

Note
The net asset per share is calculated based on existing issued share capital of 362,419,500 (2010: 362,419,500) ordinary shares.

8 Group Performance Review

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Second Quarter Review – Q2 FY2011 vs Q2 FY2010

Revenue of the Group decreased 5% or by $0.43 million from $9.30 million in Q2 FY2010 to $8.87 million in Q2 FY2011. The revenue reduction was due to weaker demand in customer orders, particularly in Singapore and Australia.

Gross profits for the Group, has however, improved by $0.26 million or 13% from $1.94 million in Q2 FY2010 to $2.21 million in Q2 FY2011. A reduction in fixed manufacturing overheads had cushioned the increase in raw material cost and reported a better gross profits margin.

Other gains (net) was $0.38 million in Q2 FY2011 compared to a net loss of $0.08 million in Q2 FY2010 due mainly to increased in rental income by $0.12 million and reduced foreign exchange loss by $0.30 million. Increased rental space arising from restructuring of space has contributed largely to the increased in rental income.

Administrative cost in Q2 FY2011 increased $1.23 million as compared to the same quarter in FY2010. The increase was due to the expensing off of the cost incurred amounting $1.5 million relating to the acquisition of the Westlite and JVCo ("Acquistion Cost") in Q2 FY2011. Excluding the Acquisition Cost of $1.5 million, the administrative cost in fact fell by $0.28 million from $2.24 milion in Q2 FY2010 to $1.96 million in Q2FY2011. The reduction was mainly a result of the staff redundancy payout in Q2 FY2010. There was no such payout in Q2 FY2011.

Share of the results of associated companies was a loss of $0.06 million in Q2 FY2011 as compared to profits of $0.04 million in Q2 FY2010. This was largely due to the reduction in sales volume on our China associated company.

Net loss for the Group was $1.76 million for Q2 FY2011 as compared to $1.06 million for Q2 FY2010. If the Acquistion Cost of $1.5 million was excluded, the net loss for the Group in Q2 FY2011 was $0.26 million, which is an improvement of $0.8 million, as compared to a net loss of $1.06 million incurred during the same quarter last year.

First Half Year Review - 1H FY2011 vs 1H FY2010

The Group's 1H2011 revenue increased 1% from $17.28 million to $17.46 million.

Gross profit improved $0.97 million or 29% from $3.33 million in 1H2010 to $4.30 million in 1H2011. This was mainly contributed by increased turnover, lower depreciation and labour cost in 1H2011. The improvement was limited by an increase in material cost due to the higher cost of outsourcing to third parties for certain orders in Q1 FY2011 and the increased prices of plastic resin as compared to 1H2010.

Other gains improved by $0.21 million in 1H2010 due mainly to a better rental income in 1H2011.

Distribution cost for 1H2010 decreased 9% or $0.13 million as compared to 1H2010. The reduction was due largely to the reduction in selling expenses such as freight, marketing salaries and its related expenses.

Administrative cost in 1H2011 increased $1.21 million mainly due to the Acquistion Cost of $1.5 million. If such Acquisition Cost is excluded, the administrative cost in fact decreased 7% or $0.29 million. The decrease was mainly due to the staff redundancy payout in 1H2010. There was no such payout in 1H2011.

Share of loss of associated companies of $0.17 million was due mainly from our associated company in China.

As a result of the above, the Group incurred net loss of $2.16 million for 1H2011 as compared to $1.84 million in 1H2010. Excluding the one off $1.5 million Acquisition Cost, the Group overall operating performance had in fact improved by $1.18 million, reducing the net loss from $1.84 million incurred in 1H2010 to a net loss of $0.66 million in 1H 2011.

Review of Group balance sheet

Cash and cash equivalents decreased by $2.65 million. Despite the net loss of $2.16 million incurred in 1H2011, the Group operating activities generated positive cash flow before working capital changes of S$1.1 million. The decrease in cash and cash equivalents of $2.65 million was mainly due to the payment of $1.81 million in dividends during Q2 FY2011 and payment of $0.63 million in 1H2011 towards the acquisition cost. Please refer to 1 (c) Consolidated Cash Flow Statement for details.

Review of Company balance sheet

The decrease in receivables of $2.86 million was due to settlement by inter-companies of year-end balances.

Payables increased by $0.58 million due to $0.69 million of the Acquisition Cost remains as payables as at 30 June 2011.

9 **Where a forecast, or a prospect statement has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable

10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Company has on 1 August 2011, announced the completion of the following acquisitions ("Acquisitions") of (i) the entire issued share capital of Centurion Dormitory (Westlite) Pte. Ltd. ("Westlite"), ("Westlite Acquisition"); and (ii) 45% of the issued share capital of Lian Beng-Centurion (Mandai) Pte Ltd ("JVCo"), ("JVCo Acquisition").

The successful acquisitions mark the diversification from the Company's current business of manufacturing optical discs to include the business of owning and operating foreign worker dormitory assets. The foreign worker dormitory market is well supported by strong underlying demand for foreign workers on the one hand, and a limited supply of available sites for worker dormitory accommodation on the other.

The Company's existing optical disc manufacturing business will remain challenging as it is faced with high raw material costs. With the creation of a new revenue stream following the Acquisitions, the Directors expect to see an improvement in the financial results and cashflows of the Group for the year ending 31 December 2011. Pursuant to the Westlite Acquisition, the vendors of Westlite have provided the Company a profit warranty that the net profits after tax of Westlite for the financial year ending 31 December 2011 and for the financial year ending 31 December 2012, after adjusting for certain excluded net profits after tax, shall be at least S$10.2 million in total. The Company is currently actively exploring expansion opportunities in its domitory business in the region, particularly in Malaysia and China.

Following the completion of the Acquisitions on 1 August 2011, the consolidated financial information for the Enlarged Group (which includes Westlite and JVCo) with effect from 1 August 2011 will be prepared using the reverse acquisition accounting in accordance to FRS 103 "Business Combination". Under reverse acquisition accounting, Westlite shall be treated as the parent of the Group for accounting purposes.

11 Dividend

(a) ***Current Financial Period Reported On***

Any dividend declared for the current financial year reported on ?

None

(b) ***Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year ?

None

(c) Date Payable

Not applicable

(d) Books Closure Date

Not applicable

12 If no dividend has been declared / recommended, a statement to that effect.

No dividend has been declared for the half-year ended 30 June 2011.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable for half-year announcement.

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable for half-year announcement.

15 Sales and Profit Breakdown

Not applicable for half-year announcement.

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable for half-year announcement.

17 Interested Person Transactions ("IPTs")

Not applicable

BY ORDER OF THE BOARD
Lee Kerk Chong
Executive Director
11 August 2011

NEGATIVE ASSURANCE CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter and half-year ended 30 June 2011 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
CENTURION CORPORATION LIMITED

Lee Kerk Chong	Kong Chee Min
Executive Director	Executive Director