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CENTURION CORPORATION LIMITED
勝捷企業有限公司*

(Incorporated in the Republic of Singapore with limited liability)
(Co. Reg. No.: 198401088W)
(SGX Stock Code: OU8)
(SEHK Stock Code: 6090)

(1) DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY; AND (2) ESTABLISHMENT OF A SUBSIDIARY

PROPOSED ACQUISITION OF PROPERTY

The Board is pleased to announce that on 19 May 2022 (UK time), the Buyer, being an indirect wholly-owned subsidiary of the Company, entered into the Contract with the Seller in relation to the Proposed Acquisition of the Property at a purchase price of £10.445 million (equivalent to approximately HK$101.56 million or S$17.95 million) (inclusive of VAT (if any) but exclusive of stamp duty and other Proposed Acquisition related costs) payable in cash. The Proposed Acquisition will be funded by the Group's internal resources and external financing from bank(s).

The Property is a freehold property known as The Orbital located at 6 Ilkeston Road, Nottingham NG7 3GE, United Kingdom, which will be rebranded as dwell Orbital upon completion of the Proposed Acquisition. The Property will be managed with the Group's two existing PBSA assets in Nottingham, namely dwell Castle Gate Haus and dwell Archer House, delivering operational synergies. Located at Canning Circus, the Property is a short walk to Nottingham Trent University and easily accessible to University of Nottingham. Nottingham is a strong PBSA market served by the University of Nottingham, a Russell Group University which represents UK's leading universities, while Nottingham Trent University is one of the largest universities in the UK. The Property is well-served by a wide selection of retail and food and beverage outlets as well as various attractions and entertainment venues such as the Old Market Square, Nottingham Castle and Museum, Theatre Royal, The Park Tennis Club and Nottingham Playhouse.

* *for identification purpose only*

ESTABLISHMENT OF A SUBSIDIARY

The Board further announces that COIPL has established a wholly-owned subsidiary, being the Buyer, for the purpose of the Proposed Acquisition.

SINGAPORE LISTING MANUAL IMPLICATIONS

As one of the applicable relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Singapore Listing Manual exceeds 5% but does not exceed 20%, the Proposed Acquisition constitutes a discloseable transaction as defined in Chapter 10 of the Singapore Listing Manual.

HONG KONG LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Proposed Acquisition is above 5% but less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company and is subject to announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 19 May 2022 (UK time), the Buyer, being an indirect wholly-owned subsidiary of the Company, entered into the Contract with the Seller in respect of the Proposed Acquisition at a purchase price of £10.445 million (equivalent to approximately HK$101.56 million or S$17.95 million) (inclusive of VAT (if any) but exclusive of stamp duty and other Proposed Acquisition related costs) payable in cash.

THE CONTRACT

Date:	19 May 2022
Buyer:	Centurion Investments (BV I) Ltd, as buyer
Seller:	Imap Properties Limited, as seller
	To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Seller and its ultimate beneficial owner are Independent Third Parties of the Company (as defined in the Listing Rules).

The Proposed Acquisition and information of the Property

Pursuant to the Contract, the Buyer has agreed to acquire and the Seller has agreed to sell the Property. The Property, which is legally and beneficially owned by the Seller, is a freehold property known as The Orbital located at 6 Ilkeston Road, Nottingham NG7 3GE, United Kingdom, which will be rebranded as dwell Orbital upon completion of the Proposed Acquisition. The Property will be managed with the Group's two existing PBSA assets in Nottingham, namely dwell Castle Gate Haus and dwell Archer House, delivering operational synergies. Located at Canning Circus, the Property is a short walk to Nottingham Trent University and easily accessible to University of Nottingham. Nottingham is a strong PBSA market served by the University of Nottingham, a Russell Group University which represents UK's leading universities, while Nottingham Trent University is one of the largest universities in the UK. The Property is well-served by a wide selection of retail and food and beverage outlets as well as various attractions and entertainment venues such as the Old Market Square, Nottingham Castle and Museum, Theatre Royal, The Park Tennis Club and Nottingham Playhouse.

On Completion, the Property will be managed under the Group's student accommodation brand, dwell, by Centurion Student Services (UK) Ltd, which is wholly owned by COIPL and established for the purposes of operating and managing the Group's student accommodation assets in the United Kingdom. The Proposed Acquisition will enlarge the Group's PBSA portfolio in the United Kingdom to 2,910 beds in 11 assets across five cities, including five assets in Manchester, one asset each in Liverpool, Bristol and Newcastle, and three in Nottingham.

The Purchase Price

The Buyer will acquire the Property from the Seller at the Purchase Price of £10.445 million (equivalent to approximately HK$101.56 million or S$17.95 million) (inclusive of VAT (if any) but exclusive of stamp duty and other Proposed Acquisition related costs), which is to be paid in cash, as follows:

(a) a deposit of £522,250 (equivalent to approximately HK$5,075,000 or S$897,000) in cash (being 5% of the Purchase Price) was paid by the Buyer, on the date of the Contract, to the Seller's conveyancer to be held as stakeholder for the Seller on the terms that, on Completion, the deposit is transferred from the Seller's conveyancer's account to the Seller with accrued interest; and

(b) the remaining amount to be paid on the Completion Date.

The Purchase Price was arrived at after arms' length negotiations between the Seller and the Buyer, on a "willing-buyer", "willing-seller" basis, and taken into account a valuation of the Property at £10.5 million (equivalent to approximately HK$102.07 million or S$18.04 million) based on a desktop valuation appraisal conducted on 20 April 2022 by Avison Young (UK) Limited (the "**Property Valuer**"), an independent valuer, commissioned by the Buyer. The valuation was based on the income capitalisation approach taking into consideration both the passing and future rents. The Purchase Price is slightly lower than the valuation.

The book value of the Property was approximately £5.8 million (equivalent to approximately HK$56.41 million or S$9.97 million) as at 30 June 2021 based on the latest unaudited financial statements of the Seller.

The Proposed Acquisition will be funded by the Group's internal resources and external financing from bank(s).

Conditions precedent

Completion is conditional on the satisfaction (or waiver by the Buyer):

(a) the issue of a written statement by the Buyer's surveyor certifying that the rectification works are practically complete according to the terms of the Contract and setting out the date on which such completion occurred;

(b) the issue of a certificate by Nottingham City Council, an approved inspector or a self-certification scheme in respect of the rectification works for the existing window panels of the Property;

(c) the issue of a final completion certificate by Nottingham City Council pursuant to a street works permit dated 19 September 2018 to modify the public highway at 6 Ilkeston Road, Nottingham;

(d) the issue of a written statement certifying that the window panel works to be carried out to the Property pursuant to the building contract are practically complete according to the terms of the Contract and setting out the date on which such completion occurred; and

(e) the issue of a Royal Institution of Chartered Surveyors form in respect of external wall system acceptable to the Buyer's mortgage lender, which shall not be earlier than 31 May 2022.

Completion

Completion is expected to take place on the Completion Date or such other date as the Seller and the Buyer may mutually agree in writing on which Completion shall take place.

FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition on the NTA per share, the earnings per share and the share capital of the Company as set out below are presented for illustrative purposes only and do not reflect the future financial position of the Group following Completion. The financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2021, being the most recently completed financial year.

NTA

Purely for illustrative purposes only and assuming that the Proposed Acquisition had been completed on 31 December 2021, being the end of FY2021, the effect on the NTA per share as at 31 December 2021 is as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA *(S$'000)*	659,714	659,714
NTA per share *(Singapore cents)*	78.46	78.46

Note: Based on a total of 840,778,624 issued ordinary shares (excluding treasury shares) as at 31 December 2021.

Earnings

Purely for illustrative purposes only and assuming that the Proposed Acquisition had been completed on 1 January 2021, being the beginning of FY2021, the financial effect on the earnings per share for FY2021 is as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Profit attributable to shareholders *(S$'000)*	52,679	53,057
Weighted average number of shares *('000)*	840,779	840,779
Earnings per share *(Singapore cents)*	6.27	6.31

Share Capital

As no shares will be issued in connection with the Proposed Acquisition, the Proposed Acquisition will not have any impact on the issued share capital of the Company.

RELATIVE FIGURES UNDER RULE 1006 OF THE SINGAPORE LISTING MANUAL

The applicable relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Singapore Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)
(b)	Net profits[(1)] attributable to the Property[(2)] compared with the Group's net profits[(3)]	0.61%
(c)	The aggregate value of the consideration for the Proposed Acquisition[(4)] compared with the market capitalisation[(5)] of the Company	6.10%

Notes:

(1) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax, and non-controlling interests.

(2) The net profits attributable to the Property for FY2021 was approximately £242,000 (converted to approximately S$416,000 or HK$2,354,000) based on an exchange rate of £1: S$1.7183 and S$1: HK$5.6581.

(3) Based on the latest announced audited consolidated financial statements of the Group for FY2021, the Group's net profits for FY2021 was S$67.9 million.

(4) The Purchase Price was £10.445 million (converted to approximately S$17.95 million or HK$101.56 million based on an exchange rate of £1: S$1.7183 and S$1: HK$5.6581.

(5) The market capitalisation of the Company is based upon a total number of 840,778,624 ordinary shares in issue (excluding treasury shares) as at 18 May 2022, at the volume-weighted average price of S$0.35 per share transacted on 18 May 2022, being the market day preceding the date of the Contract.

RELATIVE FIGURES UNDER RULE 14.58 OF THE LISTING RULES

	Financial year ended 30 June 2020[1] *£'000*	Financial year ended 30 June 2021[2] *£'000*
Net profit before taxation	142	242
Net profit after taxation	142	220

Notes:

1 The net profit before taxation for the financial year ended 30 June 2020 was approximately S$244,000 (converted to approximately HK$1,381,000) and net profit after taxation was approximately S$244,000 (converted to approximately HK$1,381,000) based on an exchange rate of £1:S$1.7183 and S$1:HK$5.6581.

2 The net profit before taxation for the financial year ended 30 June 2021 was approximately S$416,000 (converted to approximately HK$2,354,000) and net profit after taxation was approximately S$378,000 (converted to approximately HK$2,139,000) based on an exchange rate of £1:S$1.7183 and S$1:HK$5.6581.

RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is in the ordinary course of business of the Group and in line with the Group's strategy to grow its student accommodation business and to build on the Group's existing student accommodation portfolio globally. The Directors believe that the Proposed Acquisition will further enlarge the Group's PBSA portfolio in the United Kingdom to 2,910 beds in 11 assets across five cities in the country. Located at Canning Circus, the Property is a short walk to Nottingham Trent University and easily accessible to University of Nottingham. Nottingham is a strong PBSA market served by the University of Nottingham, a Russell Group University which represents UK's leading universities, while Nottingham Trent University is one of the largest universities in the UK. The Nottingham City Council estimates that there will be a shortfall of 2,000 PBSA beds in Nottingham even after all current pipeline beds are completed, and a further shortfall of 5,000 PBSA beds by academic year 2024/2025[1].

Upon Completion and rebranding of the Property, the Property is expected to be accretive and will provide an additional source of rental income to the Group as well as capital appreciation potential.

The Directors, including the independent non-executive Directors are of the view that the terms of the Contract and the Proposed Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

1 'Council says Nottingham still needs 7,000 more student beds in the city centre', notts tv, 28 July 2021.

INFORMATION ON THE COMPANY, THE GROUP AND THE BUYER

The principal activities of the Company include investment holding and provision of management services. The Group owns, develops and manages quality purpose-built workers accommodation assets in Singapore and Malaysia, and student accommodation assets in Australia, the United Kingdom, the United States and South Korea. The Group also manufactures and sells optical storage media and other trading goods.

The Buyer is Centurion Investments (BV I) Ltd, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company. The Buyer is an investment holding company.

INFORMATION ON THE SELLER

The Seller, which is the legal and beneficial owner of the Property, is a company incorporated and registered in England and Wales (company number: 07654412) whose registered office is at 2nd Floor, One Hobbs House Harrovian Business Village, Bessborough Road, Harrow, Middlesex, England, HA1 3EX, United Kingdom, which is principally engaged in the business of development of building projects. The Seller is beneficially held as to (i) 25% collectively by Mr. Arun Kumar Ram and Mrs. Renu Dass; (ii) 25% by Mrs. Bhavna Patel; (iii) 12.5% by Mr. John Adam Ball; (iv) 25% by Mr. Harvinder Singh Hunjan; and (v) 12.5% by Mr. Mark Wagstaff, who are individuals residing in the United Kingdom.

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Seller and its ultimate beneficial owners are Independent Third Parties.

ESTABLISHMENT OF AN INDIRECT WHOLLY-OWNED SUBSIDIARY

In connection with the Proposed Acquisition, COIPL has established a wholly-owned subsidiary known as Centurion Investments (BV I) Ltd in the British Virgin Islands, being the Buyer under the Contract. Information relating to the Buyer is as follows:

Name of company:	Centurion Investments (BV I) Ltd
Place of incorporation:	British Virgin Islands
Principal activity:	Investment holding
Initial issued and paid-up share capital:	£10,000 comprising 10,000 ordinary shares
Shareholder:	Centurion Overseas Investments Pte. Ltd.

As at the date of this announcement, the book value and NTA value of the shares of the Buyer are £10,000 respectively.

The establishment of the Buyer was funded by internal resources and is not expected to have any material impact on the consolidated NTA and earnings per share of the Company for the current financial year.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their shareholdings (if any) in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition and the establishment of Centurion Investments (BV I) Ltd.

SERVICE CONTRACTS OF DIRECTORS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Acquisition.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Contract and desktop valuation appraisal issued by the Property Valuer are available for inspection at 45 Ubi Road 1, #05-01, Singapore 408696 during normal business hours for a period of three (3) months commencing from the date of this announcement.

SINGAPORE LISTING MANUAL IMPLICATIONS

As one of the applicable relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Singapore Listing Manual exceeds 5% but does not exceed 20%, the Proposed Acquisition constitutes a discloseable transaction as defined in Chapter 10 of the Singapore Listing Manual.

HONG KONG LISTING RULE IMPLICATIONS

As one or more of the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Proposed Acquisition is above 5% but less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company and is subject to announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"Australia"	Commonwealth of Australia
"Board"	the board of Directors
"Buyer"	Centurion Investments (BV I) Ltd, an indirect wholly-owned subsidiary of the Company
"COIPL"	Centurion Overseas Investments Pte. Ltd., a wholly-owned subsidiary of the Company
"Company"	Centurion Corporation Limited, a company incorporated in the Republic of Singapore with limited liability and the shares of which are listed on the Main Board of the SGX-ST (stock code: OU8) and the Main Board of the Stock Exchange (stock code: 6090)
"Completion"	completion of the Proposed Acquisition pursuant to the terms of the Contract
"Completion Date"	five working days after which the conditions precedent have been satisfied or waived
"Contract"	the agreement dated 19 May 2022 in relation to the Proposed Acquisition
"Director(s)"	the director(s) of the Company
"FY2021"	the financial year ended 31 December 2021
"Group"	the Company together with its subsidiaries
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Independent Third Party(ies)"	person(s) or company(ies) which is/are not connected person(s) (as defined in the Listing Rules) of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the stock market (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with GEM
"NTA"	net tangible assets
"PBSA"	purpose-built student accommodation
"Property"	the freehold property known as The Orbital, situated at 6 Ilkeston Road, Nottingham NG7 3GE, United Kingdom, registered with the title number NT243594
"Proposed Acquisition"	the Proposed Acquisition of the Property by the Buyer at the Purchase Price pursuant to the terms and conditions of the Contract entered into between the Seller and the Buyer
"Purchase Price"	the purchase price for the proposed acquisition of the Property being £10.445 million (equivalent to approximately HK$101.56 million or S$17.95 million) (inclusive of VAT (if any) but exclusive of stamp duty and other Proposed Acquisition related costs)
"S$" or "SGD"	Singapore dollars, the lawful currency of the Republic of Singapore
"Seller"	Imap Properties Limited, a company incorporated and registered in England and Wales (company number: 07654412) and an Independent Third Party
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Shareholders"	shareholders of the Company
"Singapore Listing Manual"	the listing manual of the SGX-ST

"South Korea"	the Republic of Korea
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States"	the United States of America, including its territories and possessions and all areas subject to its jurisdiction
"VAT"	value added tax or any equivalent tax chargeable in the United Kingdom or elsewhere
"%"	per cent
"£" or "GBP"	Pound Sterling or British Pounds, the lawful currency of the United Kingdom

By order of the Board
Centurion Corporation Limited
Kong Chee Min
Chief Executive Officer

Hong Kong, Singapore, 19 May 2022

As at the date of this announcement, the Board comprises Mr. Loh Kim Kang David, Mr. Wong Kok Hoe and Mr. Teo Peng Kwang as executive Directors; Mr. Han Seng Juan as non-executive Director; and Mr. Gn Hiang Meng, Mr. Chandra Mohan s/o Rethnam, Mr. Owi Kek Hean, Ms. Tan Poh Hong and Mr. Lee Wei Loon as independent non-executive Directors.