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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)**

### **DISCLOSEABLE TRANSACTION THE SUBSCRIPTION AGREEMENTS**

#### **INTRODUCTION**

The Board of the Company is pleased to announce that on 7 December 2018 (after trading hours), CSI and CAIPL entered into the Subscription Agreement I and the Subscription Agreement II with COI and the Third Party Investor, respectively, pursuant to which COI and the Third Party Investor agreed to subscribe for 10,000,000 Units and 60,000,000 Units in the Trust, respectively. On the same day, the Trust issued drawdown notices of S\$1.257 million and S\$7.543 million to COI and the Third Party Investor, respectively.

#### **LISTING RULES IMPLICATIONS**

Immediately following the completion of the Subscriptions, the unitholding of the Company, through COI, in the Trust will be diluted from 100% to approximately 14.29% of the total number of Units in issue in the Trust. As such, the entering into of the Subscription Agreements and the transactions contemplated thereunder, in particular the dilution of shareholding of the Company in each of CAIHPL, Subsidiary I and Subsidiary II, and of unitholding of the Company in the Trust, will be regarded as a Deemed Disposal.

As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules) are more than 5% but less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and therefore is subject to the reporting and announcement requirements thereunder.

## **INTRODUCTION**

Reference is made to (i) the Company's announcement dated 17 September 2018 in relation to the Acquisition of the Property known as Castle Gate Haus, located in Nottingham, the United Kingdom and the establishment of Subsidiary I for the purpose of the Acquisition, and (ii) the Company's overseas regulatory announcement dated 12 November 2018 regarding the completion of the Acquisition and the establishment of the Trust, which acquired the entire issued share capital of CAIHPL.

The Board of the Company is pleased to announce that on 7 December 2018 (after trading hours), CSI and CAIPL entered into the Subscription Agreement I and the Subscription Agreement II with COI and the Third Party Investor, respectively, pursuant to which COI and the Third Party Investor agreed to subscribe for 10,000,000 Units and 60,000,000 Units in the Trust, respectively, for S\$1.00 per Unit. On the same day, the Trust issued drawdown notices of S\$1.257 million and S\$7.543 million to COI and the Third Party Investor, respectively.

## **THE SUBSCRIPTION AGREEMENTS**

The principal terms of the Subscription Agreements are set out as follows:

### **Subscription Agreement I**

- Date : 7 December 2018
- Parties : (1) CSI, an indirect wholly-owned subsidiary of the Company, as manager of the Trust
- (2) CAIPL, an indirect wholly-owned subsidiary of the Company, as trustee of the Trust
- (3) COI, a wholly-owned subsidiary of the Company, as the Subscriber to the Trust
- Subject matter : Pursuant to the Subscription Agreement I, COI has agreed to subscribe for 10,000,000 Units of S\$1.00 each for an agreed capital commitment of S\$10.0 million, subject to the terms of the Subscription Agreement I and the Trust Deed. The amount of Subscription I under the Subscription Agreement I was determined after arm's length negotiations with reference to, among other things, the reasons and benefits of the Subscriptions as stated under the section headed "Reasons for and benefits of the Subscription Agreements" below. The amount of Subscription I will be funded by the internal resources of the Company and/or bank borrowings.

**Completion** : Completion is not subject to any conditions precedent. Payment is made upon the completion of each drawdown under the Subscription I which shall be payable in immediately available funds.

Upon Completion, COI shall hold 14.29% of the total Units and be bound by, subject to and have the benefit of the terms of the Trust Deed as a registered holder of Units.

## **Subscription Agreement II**

**Date** : 7 December 2018

**Parties** : (1) CSI, an indirect wholly-owned subsidiary of the Company, as manager of the Trust

(2) CAIPL, an indirect wholly-owned subsidiary of the Company, as trustee of the Trust

(3) Third Party Investor, an Independent Third Party, as the Subscriber to the Trust

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Third Party Investor and its ultimate beneficial owner is an Independent Third Party.

**Subject matter** : Pursuant to the Subscription Agreement II, Third Party Investor has agreed subscribe for 60,000,000 Units of S\$1.00 each for an agreed capital commitment of S\$60.0 million, subject to the terms of the Subscription Agreement II and the Trust Deed. The amount of Subscription II under the Subscription Agreement II was determined after arm's length negotiations with reference to, among other things, the reasons and benefits of the Subscriptions as stated under the section headed "Reasons for and benefits of the Subscription Agreements" below.

**Completion** : Completion is not subject to any conditions precedent. Payment is made upon the completion of each drawdown under the Subscription II which shall be payable in immediately available funds.

Upon Completion, Third Party Investor shall hold 85.71% of the total Units and be bound by, subject to and have the benefit of the terms of the Trust Deed as a registered holder of Units.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AGREEMENTS**

Through the entering of the Subscription Agreements, the Group can continue to build on the Group's momentum and boost the Group's expansion plans to deliver higher returns to its shareholders, and targets to take this opportunity to continue working with like-minded investors to pursue investment in student accommodation and to strategically grow its business in a more asset light manner by enhancing the Group's asset and property management business.

The Board is of the view that the terms of the Subscription Agreements are normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **INFORMATION ON THE GROUP**

The Group owns, develops and manages quality purpose-built workers accommodation assets in Singapore and Malaysia, and student accommodation assets in Singapore, Australia, the United Kingdom and the United States. The Group also manufactures and sells optical disc and related storage products.

## **INFORMATION ON THE TRUST**

Immediately before the completion of the Subscriptions, the Trust held 100% shareholding interests in CAIHPL, which in turn owns 100% shareholding interests in each of Subsidiary I and Subsidiary II. As at the date of this announcement, Subsidiary I is principally engaged in holding the Property, Subsidiary II is currently dormant.

The unaudited financial information of the Trust since 9 October 2018 (being the date of incorporation) till 30 November 2018, for net profit before taxation is S\$151,210 and net profit after taxation is S\$122,480 respectively. The unaudited net asset value of the Trust as at 30 November 2018 was approximately S\$8.0 million.

COI, a wholly-owned subsidiary of the Company, is a company incorporated in Singapore with limited liability and is principally engaged as an investment holding company.

## **INFORMATION ON THE THIRD PARTY INVESTOR**

Third Party Investor, an Independent Third Party, is a reputable educational institution. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner(s) of Third Party Investor are independent third parties not connected with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates.

## **FINANCIAL EFFECTS OF THE SUBSCRIPTION AGREEMENTS ON THE GROUP AND THE USE OF PROCEEDS**

As at 7 December 2018, the Trust issued drawdown notices of S\$1.257 million and S\$7.543 million to COI and the Third Party Investor respectively with the expectation of receiving the capital contributions by 14 December 2018. The Group intends to use the proceeds of the amount drawn down under Subscription II to fully repay the balance of COI's loan to the Trust.

Immediately following the completion of the Subscriptions, COI will hold 1,257,000 Units in the Trust and the Third Party Investor will hold 7,543,000 Units in the Trust, and the unitholding of the Company, through COI, in the Trust will be diluted from 100% to approximately 14.29% of the total number of Units in issue in the Trust. CAIHPL (which is wholly-owned by the Trust), Subsidiary I (which currently holds the Property) and Subsidiary II (which is currently dormant), which are in turn directly wholly-owned by CAIHPL, will cease to be subsidiaries of the Company. The results, assets and liabilities of the Trust, CAIHPL, Subsidiary I and Subsidiary II will cease to be consolidated in the accounts of the Company.

## **LISTING RULES IMPLICATIONS**

Immediately following the completion of the Subscriptions, the unitholding of the Company, through COI, in the Trust will be diluted from 100% to approximately 14.29% of the total number of Units in issue in the Trust. As such, the entering into of the Subscription Agreements and the transactions contemplated thereunder, in particular the dilution of shareholding of the Company in each of CAIHPL, Subsidiary I and Subsidiary II, and of unitholding of the Company in the Trust, will be regarded as a Deemed Disposal.

As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules) are more than 5% but less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and therefore is subject to the reporting and announcement requirements thereunder.

## DEFINITIONS

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

“Acquisition”	The acquisition of the Property, details of which are contained in the Company’s announcement dated 17 September 2018
“Board”	the board of Directors
“CAIHPL”	Centurion Accommodation (I) Holdings Pte. Ltd. (set up on 17 May 2018), an indirect wholly-owned subsidiary of the Company immediately prior to the Subscriptions
“CAIPL”	Centurion Student ACM Trustee (I) Pte. Ltd. (set up on 6 September 2018), being the trustee of the Trust and an indirect wholly-owned subsidiary of the Company
“COI”	Centurion Overseas Investments Pte. Ltd., a wholly-owned subsidiary of the Company
“Company”	Centurion Corporation Limited (勝捷企業有限公司*), a company incorporated in the Republic of Singapore with limited liability, the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong (Stock Code: 6090) and Main Board of the Stock Exchange of Singapore (Stock Code: OU8)
“connected person”	has the meaning ascribed to it under the Listing Rules
“CSI”	Centurion Student Investment Management Pte. Ltd., an indirect wholly-owned subsidiary of the Company
“Deemed Disposal”	the Subscriptions as viewed under Rule 14.29 of the Listing Rules as a deemed disposal of the Company’s interest in the Trust
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	an independent third party not connected with the Company or its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Property”	the freehold property known as Castle Gate Haus, located in Nottingham, the United Kingdom
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	a subscriber of the Units
“Subsidiary I”	Centurion Investments (JS IX) Ltd (set up on 30 July 2018), an indirect wholly-owned subsidiary of the Company immediately prior to the Subscriptions
“Subsidiary II”	Centurion Investments (JS X) Ltd (set up on 30 July 2018), an indirect wholly-owned subsidiary of the Company immediately prior to the Subscriptions
“Subscription I”	the subscription as contemplated under the Subscription Agreement I
“Subscription II”	the subscription as contemplated under the Subscription Agreement II
“Subscriptions”	means Subscription I and Subscription II
“Third Party Investor”	a reputable educational institution, which is an Independent Third Party
“Trust”	Centurion Student Accommodation Fund, a private trust constituted in Singapore on 9 October 2018
“Trust Deed”	the first amending and restating deed dated 7 December 2018 (amending and restating a Deed of Trust dated 9 October 2018 constituting the Trust), as may be amended from time to time in accordance with the provision thereof

“Unit(s)” the beneficial interest in the Trust which is divided into unit(s)

“%” per cent.

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

Hong Kong, 7 December 2018

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

*\* For identification only*