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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)**

### **(I) CONNECTED TRANSACTIONS — ENTERING INTO OF THE UNITHOLDERS AGREEMENTS AND THE SUBSEQUENT CAPITAL INJECTION; AND (II) VOLUNTARY ANNOUNCEMENT REGARDING THE SOUTH KOREA PROJECT**

#### **Introduction**

On 31 October 2018, COIPL, a wholly-owned subsidiary of the Company, entered into the Unitholders Agreements with CPPL and COMANCHE for the formation of CIV and OpCo. Further, in November 2018, COIPL made the Subsequent Capital Injection to CIV by virtue of the mutual agreement of the JV Partners to provide further capital to CIV on a pro-rata basis.

#### **The Acquisition**

On 10 September 2018, COIPL, the wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Hotel KP in relation to the acquisition of the Property. On 24 October 2018, after CIV was established, the sale and purchase agreement that COIPL entered into with Hotel KP was terminated. Subsequently, CIV on the same day entered into the SPA with Hotel KP with materially similar terms as COIPL had entered into with Hotel KP on 10 September 2018.

## **The entering into of the Unitholders Agreements and the Subsequent Capital Injection**

As at the date of this announcement, CPPL is directly held by CGL, which in turn is held as to 50% and 50% by Mr. Loh and Mr. Han, respectively, the controlling shareholders of the Company. As at the date of this announcement, Mr. Loh, Mr. Han and CPPL holds approximately 56.55%, 57.25% and 53.02% of the entire issued capital of the Company. CIV and OpCo, being an associated company and a non-wholly owned subsidiary of the Company, respectively, is each owned as to 40% by CPPL. As such, CIV is an associate of the connected person of the Company and OpCo is a connected subsidiary of the Company. Accordingly, the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The initial subscription of KRW55.0 million (equivalent to HKD383,489) and KRW5.5 million (equivalent to HKD38,349) in the unit capital of CIV and OpCo by COIPL as contemplated under the CIV Unitholders Agreement and the OpCo Unitholders Agreement, and the Subsequent Capital Injection, are aggregated for the purposes of calculation of the asset ratio and the consideration ratio under the Listing Rules. As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Transactions, on an aggregated basis, exceed 0.1% but is less than 5%, the Transactions are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **The South Korea Project**

As the South Korea Project is of a revenue nature and conducted in the ordinary and usual course of business of the Group, it does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules pursuant to Rule 14.04(1)(g).

## **(I) CONNECTED TRANSACTIONS — ENTERING INTO OF THE UNITHOLDERS AGREEMENTS AND THE SUBSEQUENT CAPITAL INJECTION**

### **Introduction**

On 31 October 2018, COIPL, a wholly-owned subsidiary of the Company, entered into the Unitholders Agreements with CPPL and COMANCHE for the formation of CIV and OpCo. Further, in November 2018, COIPL made the Subsequent Capital Injection to CIV by virtue of the mutual agreement of the JV Partners to provide further capital to CIV on a pro-rata basis.

### **THE CIV UNITHOLDERS AGREEMENT**

The principal terms of the CIV Unitholders Agreement are summarised below:

Date:	31 October 2018
Parties and unitholding ratio:	(1) COIPL, a wholly-owned subsidiary of the Company (55%); (2) CPPL, a connected person of the Company (40%); and (3) COMANCHE, an independent third party (5%).
Issued and paid-up beneficial units:	KRW7,502,517,000 (equivalent to HKD52,311,512), divided into 7,502,517 units at an issue price of KRW1,000 (equivalent to HKD 6.97) per unit
Total number of beneficial units to be issued by CIV:	Not more than 500,000,000 units, with no par value and be in registered form

Capital injection:

At the time of its incorporation, COIPL, CPPL and COMANCHE subscribed for and injected KRW55.0 million (equivalent to HKD383,489), KRW40.0 million (equivalent to HKD278,901) and KRW5.0 million (equivalent to HKD34,863), respectively, as the initial unit capital of CIV. Payment of the initial capital injection by COIPL was funded by the internal resources of the Group. Subsequently, on 5 November 2018, the JV Partners mutually agreed to provide further capital into CIV on a pro-rata basis. As such, COIPL, CPPL and COMANCHE injected approximately KRW4,071,384,000 (“**Subsequent Capital Injection**”, equivalent to HKD28,387,840), KRW2,961,007,000 (equivalent to HKD20,645,705) and KRW370,126,000 (equivalent to HKD2,580,714), respectively into CIV.

The following table sets forth the unitholding structure of CIV as at the date of establishment, and upon completion of further capital injection by the JV Partners as at the date of this announcement:

<b>Name of unitholder</b>	<b>Unit capital as at date of establishment (KRW million)</b>	<b>Further capital injection remitted in November 2018 (KRW million)</b>	<b>Total unit capital as at the date of this announcement (KRW million)</b>	<b>Unitholding percentage</b>
COIPL	55	4,071	4,126	55%
CPPL	40	2,961	3,001	40%
COMANCHE	5	370	375	5%
<b>Total</b>	<b>100</b>	<b>7,402</b>	<b>7,502</b>	<b>100%</b>

The amount of capital injection was determined after arm's length negotiation between the parties to the CIV Unitholders Agreement with reference to, *inter alia*, the capital requirements of CIV for its future development, the unitholding interests of the JV Partners in CIV and the Aggregate Cost, comprising the Purchase Price of the Property, which was determined taking into the account the valuation of the Property by an independent valuer, the projected costs of Proposed Refurbishment and stamp duty and related acquisition costs. Payment of the Subsequent Capital Injection was funded by internal resources of the Group.

- Principal activity: To acquire or lease, operate and manage assets providing accommodation to tourist, students and/or office professionals in Korea.
- Board composition: The board of directors of CIV will consist of one sole corporate director, IGIS Asset Management Co. Ltd., its collective investment manager.
- Term: The term shall begin as of the date of the CIV Unitholders Agreement and shall continue in force and effect until (i) the CIV Unitholders Agreement is terminated pursuant to its provisions or (ii) the dissolution and liquidation of CIV.

As at the date of this announcement, CIV is an associated company of the Company and it has not yet commenced operation and no revenue nor profits have been generated since its incorporation.

As at 30 November 2018, the unaudited net assets value of CIV is KRW7.386 billion (equivalent to HKD51.5 million), and the total assets of CIV is KRW17.126 billion (equivalent to HKD119.41 million).

## THE OPCO UNITHOLDERS AGREEMENT

The principal terms of the OpCo Unitholders Agreement are summarised below:

Date:	31 October 2018
Parties and unitholding ratio:	(1) COIPL, a wholly-owned subsidiary of the Company (55%); (2) CPPL, a connected person of the Company (40%); (3) COMANCHE, an independent third party (5%); and (4) OpCo (a connected subsidiary of the Company).
Initial issued and paid-up beneficial units:	KRW10,000,000 (equivalent to HKD69,725), divided into 1,000 units at an issue price of KRW10,000 (equivalent to HKD69.73) per unit
Total number of beneficial units to be issued by OpCo:	Not more than 1,000 units, with no par value and be in registered form
Principal activity:	Provision of tourist and student accommodation

Capital injection:

At the time of its incorporation, COIPL, CPPL and COMANCHE subscribed for and injected KRW5.5 million (equivalent to HKD38,349), KRW4.0 million (equivalent to HKD27,890) and KRW0.5 million (equivalent to HKD3,486), respectively, as the initial unit capital of OpCo. Payment of the initial capital injection by COIPL was funded by the internal resources of the Group. The following table sets forth the unitholding structure of OpCo as at the date of establishment, which remained the same as at the date of this announcement:

Name of unitholder	Unit capital	Total unit	Unitholding percentage
	as at date of establishment (KRW million)	capital as at the date of this announcement (KRW million)	
COIPL	5.5	5.5	55%
CPPL	4.0	4.0	40%
COMANCHE	0.5	0.5	5%
<b>Total</b>	<b>10.0</b>	<b>10.0</b>	<b>100%</b>

The amount of capital injection was determined after arm's length negotiation between the parties to the OpCo Unitholders Agreement with reference to the unitholding interests of the JV Partners in OpCo. Capital contribution by COIPL was funded by the internal resources of the Group.

Board composition:

The board of directors of OpCo may consist of up to four directors, and for so long as COIPL and CPPL hold any units in OpCo, COIPL and CPPL shall be entitled to nominate a total of three representatives to be elected as directors to the board of directors of OpCo.

Term:

The term shall begin as of the date of the OpCo Unitholders Agreement and shall continue in force and effect until (i) the OpCo Unitholders Agreement is terminated pursuant to its provisions or (ii) the dissolution and liquidation of OpCo.

As at the date of this announcement, OpCo is a subsidiary of the Company and it has not yet commenced operation and no revenue nor profits have been generated since its incorporation.

As at 30 November 2018, the unaudited net liabilities value of OpCo is KRW40.2 million (equivalent to HKD280,440), and the total assets of OpCo is KRW12.62 million (equivalent to HKD87,988).

### **Information on the Group and the JV Partners**

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. COIPL is a wholly-owned subsidiary of the Company. It is incorporated in Singapore and is an investment holding company.

CPPL, a connected person of the Company, is a company incorporated in Singapore with limited liability and is an investment holding company. It is wholly-owned by CGL, which is in turn owned as to 50% and 50% by Mr. Loh and Mr. Han respectively, the non-executive Directors and the controlling shareholders of the Company.

COMANCHE, a nominee of KTM, is a company incorporated under the laws of Korea and is established for the purpose to enter into the Unitholders Agreements. KTM is a company incorporated in Korea and is principally engaged in various Korean real estate investments including hotels, logistics warehouses, offices and retail properties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner(s) of each of COMANCHE and KTM 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.



## **Reasons for and benefits of the formation of CIV and OpCo, entering into of the Unitholders Agreements and the Subsequent Capital Injection**

Through the formation of CIV and the Subsequent Capital Injection, the Group has 55% interest in the Acquisition and the Proposed Refurbishment. As such, the Aggregate Cost attributable to the Group is approximately KRW10.13 billion (approximately HK\$70.63 million). Through the formation of OpCo, the JV Partners can manage the Property's operations and involve in the Refurbishment. For further reasons for and benefits of the Acquisition and the Proposed Refurbishment, please refer to the section headed "(II) Voluntary Announcement — the South Korea Project — Rationale for and benefits of the Acquisition and Proposed Refurbishment".

The Directors (including the independent non-executive Directors) consider that the Transactions are in the ordinary and usual course of business of the Group, on normal commercial terms after arm's length negotiations between the parties, and the terms of the Transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Loh and Mr. Han, who were interested in the Transactions, abstained from voting for the resolution proposed to approve the Transactions. Save as disclosed above, none of the Directors has any material interest in the Transactions.

## **(II) VOLUNTARY ANNOUNCEMENT — THE SOUTH KOREA PROJECT**

### **The Acquisition**

On 10 September 2018, COIPL, the wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Hotel KP in relation to the acquisition of the Property. On 24 October 2018, after CIV was established, the sale and purchase agreement that COIPL entered into with Hotel KP was terminated. Subsequently, CIV on the same day entered into the SPA with Hotel KP with materially similar terms as COIPL had entered into with Hotel KP on 10 September 2018.

## **The SPA**

The principal terms of the SPA are summarised below:

Date:	24 October 2018
Buyer:	CIV, an associated company of the Company
Seller:	Hotel KP, an independent third party
Property:	Comprising the Land and the Building

The existing 104-room 3-star hotel (the “**Building**”) which is known as Benikea Hotel KP in Seoul, South Korea, and interest in three lots of freehold land which the Building sits on (collectively the “**Land**”, together with the “**Building**” are collectively known as the “**Property**”)

## **Information on the Property**

The Property is situated at 188–5 Hoegi-ro, Hwiggyeong 1 (il)-dong, Dongdaemun-gu, Seoul, South Korea. It consists of the following:

- (i) 100% interest in 319–12, Hwiggyeong-dong, Dongdaemun-gu, Seoul;
- (ii) 100% interest in 319–36, Hwiggyeong-dong, Dongdaemun-gu, Seoul;
- (iii) 73.91% interest in 319–38, Hwiggyeong-dong, Dongdaemun-gu, Seoul; and
- (iv) The building located on the Land and all ancillary structures, equipment, facilities, etc. attached thereto.

Located approximately 150 metres away from the Hoegi Station, a subway station on both the Seoul Subway Line 1 and the Jungang Line, the Property provides easy access to four education institutions such as Kyunghee University, University of Seoul, KAIST and Hankuk University of Foreign Studies, which are all located within a 1-kilometre radius. The Property also offers convenient access to multiple tourist attractions of Dongdaemun, such as, Seoul Folk Flea Market, Naksan Park, Ihwa Mural Village and Dream Forest.

## **Key terms of the South Korea Project**

The aggregate cost for the Acquisition and Proposed Refurbishment is expected to be approximately KRW18.427 billion (equivalent to HK\$128.48 million) (inclusive of stamp duty, other acquisition related costs and Proposed Refurbishment related costs) (“**Aggregate Cost**”), comprising:

- (i) The purchase price for the Property of KRW13.5 billion (equivalent to HK\$94.13 million) (exclusive of stamp duty and other acquisition related costs) (“**Purchase Price**”);
- (ii) The projected costs of Proposed Refurbishment of KRW3.712 billion (equivalent to HK\$25.88 million); and
- (iii) Stamp duty and related acquisition costs of KRW1.215 billion (equivalent to HK\$8.47 million).

The South Korea Project shall be funded by equity contribution from each of the JV Partners as contemplated under the CIV Unitholders Agreement.

The Purchase Price was arrived at after arms’ length negotiations between the Buyer and the Seller on a “willing-buyer”, “willing-seller” basis, and also taking into account the valuation of the Property by an independent valuer.

## **Completion of the South Korea Project**

The Acquisition has been completed on 6 November 2018. The Proposed Refurbishment is expected to be completed and the Property will become operational in first quarter of 2019.

## **Rationale for and benefits of the Acquisition and Proposed Refurbishment**

The Acquisition and Proposed Refurbishment are in the ordinary course of business of the Group and in line with the Group’s strategy to grow its accommodation business and to build on the Group’s existing student accommodation portfolio globally. Seoul in South Korea represents a strong entry point for the expansion of the Group’s student accommodation business into North Asia. The South Korea Project will enable the Group to further expand its presence in Seoul, one of the world’s top 10 student cities.

## **LISTING RULES IMPLICATIONS**

### **The entering into of the Unitholders Agreements and the Subsequent Capital Injection**

As at the date of this announcement, CPPL is directly held by CGL, which in turn is held as to 50% and 50% by Mr. Loh and Mr. Han, respectively, the controlling shareholders of the Company. As at the date of this announcement, Mr. Loh, Mr. Han and CPPL holds approximately 56.55%, 57.25% and 53.02% of the entire issued capital of the Company, respectively. CIV and OpCo, being an associated company and a non-wholly owned subsidiary of the Company, respectively, is each owned as to 40% by CPPL. As such, CIV is an associate of the connected person of the Company and OpCo is a connected subsidiary of the Company. Accordingly, the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The initial subscription of KRW55.0 million (equivalent to HKD383,489) and KRW5.5 million (equivalent to HKD38,349) in the unit capital of CIV and OpCo by COIPL as contemplated under the CIV Unitholders Agreement and the OpCo Unitholders Agreement, and the Subsequent Capital Injection, are aggregated for the purpose of calculation of the asset ratio and the consideration ratio under the Listing Rules. As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Transactions, on an aggregated basis, exceeds 0.1% but is less than 5%, the Transactions are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **The South Korea Project**

As the South Korea Project is of a revenue nature and conducted in the ordinary and usual course of business of the Group, it does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules pursuant to Rule 14.04(1)(g).

## DEFINITIONS

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

“Acquisition”	the acquisition of the Property (comprising the Land and the Building) by CIV at the Purchase Price pursuant to the terms and conditions of the SPA
“Aggregate Cost”	has the meaning ascribed to it in the paragraph headed “(II) Voluntary announcement — the South Korea Project — Key terms of the South Korea Project”
“Board”	the board of Directors
“Building”	has the meaning ascribed to it in the paragraph headed “(II) Voluntary announcement — the South Korea Project — the SPA”
“CGL”	Centurion Global Ltd, a company incorporated in the British Virgin Islands and is owned as to 50% by Mr. Loh and 50% by Mr. Han
“CIV”	IGIS Centurion No. 238 Professional Investors Private Real Estate Investment, LLC, the collective investment vehicle established pursuant to the CIV Unitholders Agreement, to own the Property
“CIV Unitholders Agreement”	the unitholders agreement dated 31 October 2018 and entered into between the JV Partners, pursuant to which CIV is established for owning the Property according to the applicable Korean laws
“COMANCHE”	Comanche Co., Ltd., company incorporated under the laws of Korea, a nominee of KTM under the CIV Unitholders Agreement, holding a 5% unitholding interest in CIV
“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, 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)
“CPPL”	Centurion Properties Pte. Ltd., a company incorporated in Singapore and is wholly-owned by CGL, which is a controlling shareholder of the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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
“Hotel KP” or “Seller”	Hotel KP Co., Ltd, a company incorporated and registered in Seoul, being the seller under the SPA
“independent third party(ies)”	third part(ies) independent of and not connected to the Company and any of its connected persons (as defined in the Listing Rules) or their respective associates
“JV Partners”	means COIPL, CPPL and COMANCHE
“Korea”	means the Republic of Korea
“KTM”	KTM Distributions Co., Ltd, a company incorporated under the laws of Korea
“KRW”	Korean won, the lawful currency of Republic of Korea
“Land”	has the meaning ascribed to it in the paragraph headed “(II) Voluntary announcement — the South Korea Project — the SPA”
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time)

“Mr. Han”	Mr. Han Seng Juan (韓成元), a controlling shareholder of the Company and a non-executive Director
“Mr. Loh”	Mr. Loh Kim Kang David, a controlling shareholder of the Company and a non-executive Director
“OpCo”	CSL Student Living Benikea KP Ltd., a company incorporated under the laws of Korea pursuant to the OpCo Unitholders Agreement
“OpCo Unitholders Agreement”	the unitholders agreement dated 31 October 2018 entered into between the JV Partners, pursuant to which OpCo is incorporated for managing the Property
“Property”	means the Land and the Building
“Proposed Refurbishment”	means the refurbishment of the Building will be refurbished as an accommodation with 208 beds offering twin-bedded rooms and communal facilities (the bed capacity of which can potentially be increased to approximately 234 beds through asset enhancement initiatives)
“Purchase Price”	The purchase price of KRW13.5 billion (equivalent to HK\$94.13 million) in respect of the Acquisition
“S\$”	Singapore dollars, the lawful currency of Singapore
“SPA”	the sale and purchase agreement dated 24 October 2018 entered into between CIV and the Seller in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“South Korea Project”	the Acquisition and the Proposed Refurbishment
“Subsequent Capital Injection”	has the meaning ascribed to it in the paragraph headed “the CIV Unitholders Agreement — Capital Injection”

“Transactions”	the formation of, and the initial unit capital injection by COIPL into CIV and OpCo under the respective Unitholders Agreements and the Subsequent Capital Injection
“Unitholders Agreements”	collectively the CIV Unitholders Agreement and the OpCo Unitholders Agreement
“%”	percent.

*In this announcement, KRW have been converted to HK\$ at the rate of KRW143.42 = HK\$1.00 for illustration purpose only. No representation is made that any amounts in KRW or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

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

Hong Kong, 12 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*