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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

ACQUISITION OF PROPERTY

The Board wishes to announce that on 14 September 2018, the Buyer, an indirect wholly-owned subsidiary of the Company, entered into a Contract with the Seller in relation to the acquisition of the Property at a purchase price of £10.2 million (approximately HK\$104.35 million or S\$18.25 million) (exclusive of VAT, stamp duty and other acquisition related costs). The Acquisition will be funded by the Group's internal resources and external financing from bank(s).

ESTABLISHMENT OF A SUBSIDIARY

The Board further announces that CA(I)HPL has established a wholly-owned subsidiary for the purpose of the Acquisition.

SINGAPORE LISTING MANUAL IMPLICATIONS

As one of the applicable relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Singapore Listing Manual exceeds 5% but does not exceed 20%, the 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 applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 14 September 2018, the Buyer, an indirect wholly-owned subsidiary of the Company, entered into a Contract with the Seller in respect of the Acquisition.

THE CONTRACT

Date:	14 September 2018
Buyer:	Centurion Investments (JS IX) Ltd, as buyer
Seller:	Sleekmade Property Co. Limited, as seller
Property to be acquired:	The freehold property known as Castle Gate Haus, situated at 32-44 (even) Castle Gate, Nottingham NG1 7BJ, United Kingdom, registered with the title number NT213863

The Buyer will acquire the Property from the Seller at the Purchase Price. On the date of the Contract, a deposit of £510,000 (approximately HK\$5,217,558 or S\$912,288) in cash (being 5% of the Purchase Price) was paid by the Buyer 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. At any time prior to the Completion Date, the Buyer may pay an additional deposit of £510,000 (approximately HK\$5,217,558 or S\$912,288) (being 5% of the Purchase Price) ("**further deposit**") to the Seller. Where the Buyer pays the further deposit, the Completion Date shall be substituted by the Extended Completion Date. The remaining balance of the Purchase Price shall be paid on the Completion Date or the Extended Completion Date, whichever applicable.

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

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 the valuation of the Property at approximately £10.2 million (approximately HK\$104.35 million or S\$18.25 million) based on a valuation appraisal conducted on 8 August 2018 by Cushman and Wakefield UK ("**Property Valuer**"), an independent valuer, commissioned by the Company. The valuation was based on the income capitalization approach taken into consideration both the passing and future rents of the Property.

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 SELLER

The Seller is a company incorporated and registered in England and Wales (company number: 01924367) whose registered office is at 18 The Ropewalk, Nottingham NG1 5DT, United Kingdom. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Seller and the ultimate beneficial owner of the Seller are third parties independent of the Company and connected persons of the Company.

INFORMATION ON THE PROPERTY

The Property, situated at 32-44 (even) Castle Gate, Nottingham NG1 7BJ, United Kingdom, is currently owned by the Seller.

The Property is a student accommodation asset with 133 bed capacity comprising 69 self-contained studios and 64 en-suite cluster bedrooms. On Completion, it 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 Property is located within the heart of Nottingham city centre and easily accessible to the top 2 universities in Nottingham, namely, University of Nottingham and Nottingham Trent University. The Property is in close proximity to retailers and food and beverage outlets in the city centre, and is highly accessible with surrounding bus and train services.

FINANCIAL EFFECTS OF THE ACQUISITION

The pro forma financial effects of the 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 pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2017, being the most recently completed financial year.

NTA

Purely for illustrative purposes only and assuming that the Acquisition had been completed on 31 December 2017, being the end of FY2017, the effect on the NTA per share as at 31 December 2017 is as follows:

	Before the Acquisition	After the Acquisition
NTA (S\$'000)	462,927	462,927
NTA per share (Singapore cents)	55.06	55.06

Note: Based on a total of 840,778,624 issued ordinary shares (excluding treasury shares) as at 31 December 2017.

Earnings

Purely for illustrative purposes only and assuming that the Acquisition had been completed on 1 January 2017, being the beginning of FY2017, the effect on the earnings per share for FY2017 is as follows:

	Before the Acquisition	After the Acquisition
Profit attributable to shareholders (S\$'000)	31,722	32,614
Weighted average number of shares ('000)	760,836	760,836
Earnings per share (Singapore cents)	4.17	4.29

Share Capital

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

RATIONALE AND REASONS FOR AND BENEFITS OF THE ACQUISITION

The 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 Acquisition is a good opportunity for the Group to further strengthen its foothold in the United Kingdom.

The Board is of the view that the terms of the Contract and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

RELATIVE FIGURES UNDER RULE 1006 OF THE SINGAPORE LISTING MANUAL

The applicable relative figures for the 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⁾	2.2
(c)	The aggregate value of the consideration for the Acquisition ⁽⁴⁾ compared with the market capitalisation ⁽⁵⁾ of the Company	5.1

Note:

- (1) Net profits is defined as profit before income tax, minority interests and extraordinary items.
- (2) The net profits attributable to the Property for the six-month period ended 30 June 2018 was approximately £0.31 million (converted to S\$0.55 million or HK\$3.17 million) based on an exchange rate of £1: S\$1.7888 and S\$1: HK\$5.7192.
- (3) Based on the latest announced unaudited consolidated financial statements of the Group for the second quarter and half year ended 30 June 2018, the Group's net profits was approximately S\$25.74 million.
- (4) The Purchase Price was £10.2 million (converted to S\$18.25 million or HK\$104.35 million) based on an exchange rate of £1: S\$1.7888 and S\$1: HK\$5.7192.
- (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 13 September 2018, at the volume-weighted average price of S\$0.4237 per share transacted on 13 September 2018, being the market day preceding the date of the Contract.

RELATIVE FIGURES UNDER RULE 14.58 OF THE LISTING RULES

	Year ended 31 December 2016 ¹ £'000	Year ended 31 December 2017 ² £'000
Net profit before taxation	607	623
Net profit after taxation	486	498

¹ The net profit before taxation was S\$1.09 million (converted to HK\$6.21 million) and net profit after taxation was S\$0.87 million (converted to HK\$4.97 million) based on an exchange rate of £1:S\$1.7888 and S\$1:HK\$5.7192.

² The net profit before taxation was S\$1.11 million (converted to HK\$6.37 million) and net profit after taxation was S\$0.89 million (converted to HK\$5.09 million) based on an exchange rate of £1:S\$1.7888 and S\$1:HK\$5.7192.

ESTABLISHMENT OF AN INDIRECT WHOLLY-OWNED SUBSIDIARY

CA(I)HPL has established a wholly-owned subsidiary known as Centurion Investments (JS IX) Ltd in Jersey, Channel Islands. Information relating to the New Jersey Subsidiary are as follows:

Name of company:	Centurion Investments (JS IX) Ltd
Place of incorporation:	Jersey, Channel Islands
Principal activity:	Investment Holding
Initial issued and paid-up share capital:	£10,000 comprising 10,000 ordinary shares
Shareholder:	Centurion Accommodation (I) Holdings Pte. Ltd.

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

The establishment of the New Jersey Subsidiary 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.

The New Jersey Subsidiary was established for the purpose of the Acquisition.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their interests in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition and the establishment of the New Jersey Subsidiary.

SERVICE CONTRACTS OF DIRECTORS

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

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Contract and valuation report 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 Acquisition computed on the bases set out in Rule 1006 of the Singapore Listing Manual exceeds 5% but does not exceed 20%, the 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 applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and 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:

“Acquisition”	the proposed acquisition of the Property by the Buyer at a purchase price of £10.2 million (approximately HK\$104.35 million or S\$18.25 million) (exclusive of VAT, stamp duty and other acquisition related costs) pursuant to the terms and conditions of the Contract signed by the Seller and the Buyer
“Board”	the board of Directors
“Buyer” or “New Jersey Subsidiary”	Centurion Investments (JS IX) Ltd, an indirect wholly-owned subsidiary of the Company
“CA(I)HPL”	Centurion Accommodation (I) Holdings Pte. Ltd., a wholly-owned subsidiary of COIPL, which is in turn wholly owned by 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 Acquisition pursuant to the terms of the Contract
“Completion Date”	12 October 2018 (being the date 20 working days following the date of the Contract)
“Contract”	the agreement dated 14 September 2018 in relation to the Property
“Director(s)”	the director(s) of the Company
“Extended Completion Date”	9 November 2018 (being the date 20 working days following the Completion Date)
“FY2017”	the financial year ended 31 December 2017

“Group”	the Company together with its subsidiaries and associated companies
“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 Exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM
“NTA”	net tangible assets
“Property”	the freehold property known as Castle Gate Haus, situated at 32–44 (even) Castle Gate, Nottingham NG1 7BJ, United Kingdom, registered with the title number NT213863
“Purchase Price”	the purchase price for the acquisition of the Property being £10.2 million (approximately HK\$104.35 million or S\$18.25 million) (exclusive of VAT, stamp duty and other acquisition related costs)
“S\$” or “SGD”	Singapore dollars, the lawful currency of the Republic of Singapore
“Seller”	Sleekmade Property Co. Limited, a company incorporated and registered in England and Wales (company number: 01924367) and an Independent Third Party
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Singapore Listing Manual”	the listing manual of the SGX-ST
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United Kingdom”	the United Kingdom of Great Britain, Northern Ireland, Scotland and Wales

“United States”	the United States of America, including its territories and possessions and all areas subject to its jurisdiction
“%”	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, 17 September 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 purpose only*