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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO A DISCLOSEABLE TRANSACTION

References are made to the announcement of Centurion Corporation Limited (the “**Company**”) dated 9 December 2019 and the supplemental announcement of the Company dated 10 December 2019 in relation to a discloseable transaction relating to the acquisition of property and establishment of a subsidiary (the “**Announcements**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

This announcement is made to provide supplemental information on certain information disclosed in the paragraph headed “Financial effects of the Proposed Acquisition” in the Announcements pursuant to Rule 4.29 of the Listing Rules.

The accompanying pro forma financial effects of the Proposed Acquisition on (i) the net tangible assets (“**NTA**”) attributable to shareholders; (ii) the NTA per share attributable to shareholders; (iii) the profit attributable to shareholders; (iv) weighted average number of shares, the earnings per share; and (v) the share capital and total number of shares of the Company as required under the Singapore Listing Manual Rule 1010 (8) and (9) are presented in Appendix I to this announcement in the forms of unaudited pro forma statement of net tangible assets, unaudited pro forma statement of profit and earnings per share and unaudited pro forma statement of share capital of the Group (the “**Unaudited Pro Forma Financial Information**”) for illustrative purposes only to illustrate the effects of the Proposed Acquisition on the financial position of the Group as if the Proposed Acquisition had been completed on 31 December 2018 and the financial performance of the Group for the year ended 31 December 2018 as if the Proposed Acquisition had been completed on 1 January 2018.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated financial statements of the Group as at and for the year ended 31 December 2018 in the published 2018 annual report, and the pro forma adjustments relating to the Proposed Acquisition that are directly attributable to the Proposed Acquisition and not relating to future events or decisions, as described in the accompanying notes.

In order to comply with the requirements under Rules 1010(8) and (9) of the SGX Listing Manual for disclosing the (i) NTA attributable to shareholders; (ii) the NTA per share attributable to shareholders; (iii) the profit attributable to shareholders; (iv) weighted average number of shares, the earnings per share; and (v) the share capital and total number of shares, the Company and the Directors of the Company are also required to prepare the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Listing Rules for illustrative purpose only and such Unaudited Pro Forma Financial Information is based on a number of assumptions, estimates, uncertainties and currently available information. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information does not purport to describe the actual financial position or financial performance of the Group that would have been attained had the Proposed Acquisition been completed on 1 January 2018, 31 December 2018 or any future date, nor purport to predict the Group's future financial position or financial performance.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published 2018 annual report of the Group and other financial information included elsewhere in the Announcements.

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

Hong Kong, Singapore, 25 February 2020

As at the date of this announcement, the Board comprises Mr. Wong Kok Hoe and Mr. Teo Peng Kwang as executive Directors; Mr. Han Seng Juan and Mr. Loh Kim Kang David as non-executive Directors; 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.

* *For identification purpose only*

APPENDIX I

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

A. Unaudited pro forma statement of net tangible assets

The following is an illustrative unaudited pro forma statement of net tangible assets which has been prepared in accordance with Rule 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the Proposed Acquisition on the consolidated net tangible assets of the Group attributable to shareholders of the Company as at 31 December 2018 as if the Proposed Acquisition had taken place on 31 December 2018.

This unaudited pro forma statement of net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Proposed Acquisition completed as at 31 December 2018 or at any future dates.

| | The Group as at 31 December 2018 | Pro forma adjustments | Unaudited pro forma net tangible assets of the Group attributable to shareholders | Unaudited pro forma net tangible assets per share |
|--|---|----------------------------------|--|--|
| | <i>(Note 1)</i> | <i>(Note 2)</i> | <i>(Note 3)</i> | <i>(Note 3)</i> |
| | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$'000</i> | <i>S\$ cents</i> |
| Consolidated net tangible assets attributable to shareholders | 507,315 | — | 507,315 | 60.34 |

Notes:

- (1) The amount is extracted from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2018 as set out in the published 2018 annual report of the Company.
- (2) The adjustment represents the accounting treatments in relation to the Proposed Acquisition of the Property. The Property would be classified as investment property as the Group intends to hold the Property for rental and capital appreciation purposes.

Pursuant to the Contract, the consideration of £15.10 million (equivalent to S\$26.98 million) for the Proposed Acquisition shall be payable to the Seller in cash with a deposit of £755,000 paid on the date of the Contract and the remaining amount to be paid on the Completion Date.

The Property is accounted for as an acquisition of asset and initially measured at cost in accordance with IAS 40 “Investment Property” at the purchase price of £15.10 million (equivalent to S\$26.98 million) together with other directly attributable costs of £0.55 million (equivalent to S\$0.98 million) comprising stamp duty and legal and professional fees. It is assumed that the Group will settle the consideration and the directly attributable costs by internal resources and external financing from bank(s) for approximately £8.76 million (equivalent to S\$ 15.65 million).

In respect of the valuation of the Property carried out by an independent valuer as set described in the Announcements, the Property is valued at £15.15 million (equivalent to S\$27.07 million) as at 5 December 2019. For the purpose of this pro forma financial information, it is assumed that the fair value of the Property approximate the amount as the initial cost of £15.65 million (equivalent to S\$27.97 million) as mentioned in the preceding paragraph, accordingly there is no subsequent change in fair value of the Property to be reflected here.

- (3) The unaudited pro forma net tangible assets per share is arrived on the basis of 840,778,624 ordinary shares were in issue as at 31 December 2018. No pro forma adjustment has been made to total number of issued shares since the Proposed Acquisition does not involve any share transaction of the Company.
- (4) No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 31 December 2018.
- (5) For the purpose of this unaudited pro forma adjusted net tangible assets of the Group, the translation of Great Britain Pound to Singapore dollar has been made at a rate of £1.00 to S\$1.787.

B. Unaudited pro forma statement of profit and earnings per share

The following is an illustrative unaudited pro forma statement of profit and earnings per share which has been prepared in accordance with Rule 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the Proposed Acquisition on the consolidated profit, weighted average number of shares and earnings per share attributable to shareholders for the year ended 31 December 2018 as if the Proposed Acquisition had taken place on 1 January 2018.

This unaudited pro forma statement of profit and earnings per share has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the consolidated profit, weighted average number of shares and earnings per share attributable to shareholders had the Proposed Acquisition completed as at 1 January 2018 or at any future dates.

| | The Group for the year ended 31 December 2018 (Note 1) | Pro forma Adjustments (Note 2) (Note 3) | | Unaudited pro forma financial information for the financial year ended 31 December 2018 |
|--|---|---|-------|--|
| Consolidated profit attributable to shareholders (S\$'000) | 79,326 | 1,294 | (259) | 80,361 |
| Weighted average number of shares ('000) (Note 5) | 840,779 | — | — | 840,779 |
| Earnings per share (S\$ cents) (Note 6) | 9.43 | | | 9.56 |

Notes:

- (1) The amounts are extracted from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2018 as set out in the published 2018 annual report of the Company.

- (2) The adjustment reflects the net profit before income tax of £724,000 (equivalent to approximately S\$1,294,000) attributable by the Property for the 12 months period ended 31 August 2019. The Property was newly completed in late September 2018 and achieved 100% occupancy over the 12 months period ended 31 August 2019. For the purpose of this Unaudited Pro Forma Financial Information, it is assumed that the Property would achieve the same occupancy rate and rent during the financial year of the Group. This adjustment have continuing effect on the consolidated income statement of the Group.
- (3) The adjustment reflects the income tax expense in relation to profit arising from the leasing of the Property based on the United Kingdom corporate tax rate of 20% for the year ended 31 December 2018. This adjustment have continuing effect on the consolidated income statement of the Group.
- (4) The Property is to be held by the Group to earn rentals and for capital appreciation and hence is classified as an investment property, which is initially measured at cost and subsequently measured at fair value. Change in fair value of investment property will be recognised in consolidated income statement. In preparing this Unaudited Pro Forma Financial Information, it is assumed that the deemed fair value of the Property as at 1 January 2018 and 31 December 2018 were £15.65 million (equivalent to S\$27.97 million), which was the purchase price of the Property plus directly attributable costs, as if the Proposed Acquisition had been completed on 1 January 2018 or 31 December 2018. Accordingly, there is no fair value adjustment reflected here.
- (5) No pro forma adjustment has been made to weighted average number of shares as the Proposed Acquisition does not involve any transaction in relation to the shares of the Company.
- (6) The calculation of unaudited pro forma earnings per share is calculated based on the unaudited pro forma adjusted consolidated profit attributable to shareholders of the Company for the year ended 31 December 2018 divided by the weighted average number of shares taking into account the pro forma adjustments above.
- (7) No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 31 December 2018.
- (8) For the purpose of this unaudited pro forma adjusted profit and earnings per share attributable to shareholders, the translation of Great Britain Pound to Singapore dollar has been made at a rate of £1.00 to S\$1.787.

C. Unaudited pro forma statement of share capital

The following is an illustrative unaudited pro forma statement of share capital which has been prepared in accordance with Rule 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the Proposed Acquisition on the share capital of the Company as at 31 December 2018 as if the Proposed Acquisition had taken place on 31 December 2018.

This unaudited pro forma statement of share capital has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the share capital of the Company had the Proposed Acquisition completed as at 31 December 2018 or at any future dates.

| | The Company as at 31 December 2018 (Note 1) | Pro forma Adjustment (Note 2) | Unaudited pro forma adjusted financial information as at 31 December 2018 |
|---|--|--|--|
| Share capital of the Company (S\$'000) | 253,553 | — | 253,553 |
| Total number of issued shares ('000) | 840,779 | — | 840,779 |

Notes:

- (1) The amounts are extracted from the audited consolidated financial statements of the Group as at and for the year ended 31 December 2018 as set out in the published 2018 annual report of the Company.
- (2) No pro forma adjustment has been made to share capital or total number of issued shares since the Proposed Acquisition does not involve any transaction in relation to the shares of the Company.

The following is the text of a report received from PricewaterhouseCoopers LLP, Public Accountants and Chartered Accountants, Singapore, for the purpose of incorporation in this supplemental announcement.



INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Board of Directors
Centurion Corporation Limited
45 Ubi Road 1
5th Storey Summit Building
Singapore 408696

Report on the Compilation of Pro Forma Financial Information

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Centurion Corporation Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the management for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of net tangible assets and unaudited pro forma statement of share capital as at 31 December 2018, and the unaudited pro forma statement of profit and earnings per share for the financial year ended 31 December 2018, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out in Appendix I of the Company’s supplemental announcement dated 25 February 2020 (the “**Supplemental Announcement**”), in relation to the proposed acquisition of the property (the “**Proposed Acquisition**”) by the Group. The applicable criteria on the basis of which management has compiled the Unaudited Pro Forma Financial Information are described in Appendix I.

The Unaudited Pro Forma Financial Information has been compiled by management to illustrate the impact of the Proposed Acquisition on:

- (i) The net tangible assets (“**NTA**”) attributable to shareholders and NTA per share attributable to shareholders of the Group, and the share capital and total number of issued shares as at 31 December 2018 as if the Proposed Acquisition had been completed on 31 December 2018; and
- (ii) The consolidated profit attributable to shareholders, weighted average number of shares and earnings per share of the Group for the financial year ended 31 December 2018 as if the Proposed Acquisition had been completed on 1 January 2018.

As part of this process, information about the Group's financial position and financial performance has been extracted by management from the Group's financial statements for the financial year ended 31 December 2018, on which an audit report has been published.

Management's Responsibility for the Unaudited Pro Forma Financial Information

Management is responsible for compiling the Unaudited Pro Forma Financial Information on the basis as described in Appendix I and in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Public Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountant plans and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the Unaudited Pro Forma Financial Information on the basis of the applicable criteria as described in Appendix I and in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Supplemental Announcement is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Acquisition at 1 January 2018 and 31 December 2018 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- (i) The related pro forma adjustments give appropriate effect to those criteria; and
- (ii) The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been compiled, in all material respects, by the management of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies adopted by the Group in its latest audited financial statements for the year ended 31 December 2018 which are in accordance with Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and
- (c) the adjustment are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Restriction of Use and Distribution

This report is made solely to you as a body for the inclusion in the Supplemental Announcement of the Company to be issued in relation to the Proposed Acquisition.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

Singapore, 25 February 2020