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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**

#### **(1) AWARD OF TENDER FOR LEASE OF LAND FOR DEVELOPMENT AND USE AS A FOREIGN WORKERS' DORMITORY BY JTC CORPORATION AND (2) ESTABLISHMENT OF A JOINT VENTURE COMPANY**

##### **AWARD OF TENDER**

The Board is pleased to announce that on 13 January 2023, JTC Corporation, a Singapore government agency, awarded the JV Company, being an indirect 51%-owned subsidiary of the Company, the Tender for the Lease of the Land for the development and use as a foreign workers' dormitory at the Tendered Price of approximately S\$40.2 million (exclusive of GST) (equivalent to approximately HK\$237.5 million). The Land is for the Proposed Development by the JV Company of PBWA with a capacity of 1,650 beds (approved capacity) for foreign workers who are work permit holders. The Land has a lease term of 30 years and comprises a land area of 7,044.80 square metres.

The Group's total capital commitment to the JV Company for the Transaction (comprising the Lease under the Tender and the Proposed Development) is expected to be approximately S\$43.4 million (equivalent to approximately HK\$256.3 million), which will be funded by the Group's internal resources and bank borrowing.

\* *For identification purpose only*

## **ESTABLISHMENT OF A JOINT VENTURE COMPANY**

The Board further announces that CDVPL, a wholly-owned subsidiary of the Company has established a 51%-owned subsidiary, being the JV Company, for the purpose of the Transaction. The remaining 49% of the JV Company is owned by GUPL, being a wholly-owned subsidiary of LBGL.

## **SINGAPORE LISTING MANUAL IMPLICATIONS**

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

## **AWARD OF TENDER**

The Board is pleased to announce that on 13 January 2023, JTC Corporation, a Singapore government agency, awarded the JV Company, being an indirect 51%-owned subsidiary of the Company, the Tender for the Lease of the Land for the development and use as a foreign workers' dormitory at the Tendered Price of approximately S\$40.2 million (exclusive of GST) (equivalent to approximately HK\$237.5 million).

Effective Date: the Acceptance Date

Tenderer/Lessee: the JV Company

Tender issuer/Lessor: JTC Corporation, a statutory board under the Ministry of Trade and Industry of Singapore

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, JTC Corporation and its ultimate beneficial owner are Independent Third Parties of the Company (as defined in the Listing Rules).

## **The Lease under the Tender and information of the Land**

Pursuant to the Tender Acceptance Letter, JTC Corporation has accepted the Tender made by the JV Company for the Lease of the Land at the Tendered Price. The Land is held under lot no. 6689C of Mukim 23, located at Ubi Avenue 3 in Singapore comprises a land area of 7,044.80 square metres. The Land is for the Proposed Development by the JV Company of PBWA with a capacity of 1,650 beds (approved capacity) for foreign workers who are work permit holders. The Land under the Tender has a lease term of 30 years.

## **The Tendered Price**

Pursuant to the Tender Acceptance Letter, the Tendered Price is approximately S\$40.2 million (exclusive of GST) (equivalent to approximately HK\$237.5 million). The Tendered Price and GST and other transaction costs thereon will be payable by the JV Company in the following manner:

- (a) a tender deposit of approximately S\$2.0 million (equivalent to approximately HK\$11.9 million) (being 5% of the Tendered Price) was paid by the JV Company by way of cashier's order on the date of submission of the Tender, which amount will constitute part-payment towards the Tendered Price; and
- (b) the balance of the Tendered Price of approximately S\$38.2 million (equivalent to approximately HK\$225.6 million) and the GST and other transaction costs thereon are payable no later than 60 days of the Acceptance Date by way of cashier's order or bank transfer.

In addition, the ad valorem stamp duty shall be payable on the Tender Acceptance Letter within 14 days thereof.

## **Delivery of possession of the Land**

Vacant possession of the Land will be delivered to the JV Company upon the receipt of payments (including the Tendered Price) and the documents (including signed Building Agreement) mentioned in the conditions of Tender.

## **FINANCIAL IMPACT ON THE COMPANY**

The aggregate amount of the Transaction (comprising the Tendered Price for the Lease under the Tender and the development costs for the Proposed Development for the Land based on, among others, the estimated gross floor area and the estimated prevailing construction costs) by the JV Company is estimated to be S\$85.0 million (equivalent to approximately HK\$502.5 million), which shall be provided by the shareholders of the JV Company on a pro rata basis in accordance with their respective interests in the JV Company.

As the Group has 51% interest in the JV Company, the Group's total capital commitment for the Transaction (comprising the Tendered Price for the Lease of the Land and the development costs for the Proposed Development) is therefore expected to be approximately S\$43.4 million (equivalent to approximately HK\$256.3 million), which is arrived at on the basis of the Group's pro-rata interest in the JV Company, which comprises a combination of paid-up share capital and provision of unsecured interest-free shareholders' loan to the JV Company for the Transaction. The Group intends to fund its capital commitment from the Group's internal resources and bank borrowing. The JV Company will remain as a subsidiary of the Company and its operating results, assets and liabilities will be consolidated into the financial statements of the Group.

The Board considers that the total commitment and the Tendered Price of approximately S\$40.2 million (exclusive of GST) is fair and reasonable having taking into account the potential development value, location of the Land and prevailing market conditions.

## **RELATIVE FIGURES UNDER RULE 1006 OF THE SINGAPORE LISTING MANUAL**

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

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(a)	Net asset value of the assets to be disposed of compared with the net asset value of the Group	Not applicable <sup>(1)</sup>
(b)	Net profits <sup>(2)</sup> attributable to the Transaction compared with the Group's net profits	Not applicable <sup>(3)</sup>
(c)	The aggregate value of the consideration for the Transaction <sup>(4)</sup> compared with the market capitalisation of the Company <sup>(5)</sup>	15.31
(d)	Maximum number of equity securities issued by the Company as consideration compared with the number of the Company's equity securities previously in issue	Not applicable <sup>(6)</sup>

*Notes:*

- (1) The Transaction does not involve a disposal of assets.
- (2) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

- (3) There are no profits attributable to the Transaction until the Proposed Development of the PBWA is completed. The Proposed Development of the PBWA is expected to be completed in 2025. As such, there are no net profits attributable to the Transaction for the six months ended 30 June 2022.
- (4) The total commitment of the Group for the Transaction is expected to be approximately S\$43.4 million (equivalent to approximately HK\$256.3 million based on an exchange rate of S\$1: HK\$5.912).
- (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 12 January 2023, at the volume-weighted average price of S\$0.3367 per share transacted on 12 January 2023, being the market day preceding the date of the Tender Acceptance Letter.
- (6) No equity securities will be issued by the Company as consideration.

## **RELATIVE FIGURES UNDER RULE 14.58 OF THE LISTING RULES**

As the Proposed Development of the PBWA on the Land is expected to be completed in 2025, there are no profits attributable to the Transaction for the two years ended 31 December 2021.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Transaction is in the ordinary course of business of the Group and in line with the Group's strategy to grow its workers accommodation business and to build on the Group's existing workers accommodation portfolio in Singapore. The Directors believe that the Transaction is a good opportunity to further enlarge the Group's PBWA portfolio in Singapore to approximately 35,550 beds. Upon completion of the Proposed Development, with growing demand coupled with an under supply of PBWA beds in Singapore, the Land is expected to be accretive, and will provide an additional source of rental income to the Group. The Transaction will also provide the Group with capital appreciation potential.

The Directors, including the independent non-executive Directors are of the view that the terms of the Lease under the Tender and the formation of the joint venture through the JV Company are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE COMPANY, THE GROUP AND THE JV COMPANY**

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 disc and related storage products.

The JV Company is a company incorporated in the Republic of Singapore and is owned as to 51% by the Group via CDVPL and 49% by LBGL via GUPL. The JV Company is to be engaged in the business of provision of dormitory services.

## **INFORMATION ON JTC CORPORATION**

JTC Corporation is a statutory board under the Ministry of Trade and Industry of Singapore which is in charge of Singapore's industrial progress.

## **INFORMATION OF GUPL AND LBGL**

GUPL, a company incorporated in the Republic of Singapore, is a wholly-owned subsidiary of LBGL. GUPL is an investment holding company.

LBGL is a company incorporated in the Republic of Singapore, which shares are listed on the Main Board of the SGX-ST. LBGL is an investment holding company and the principal activities of the LBGL Group are construction, dormitory, investment holding and property development.

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, GUPL, LBGL and their ultimate beneficial owner are Independent Third Parties.

## **ESTABLISHMENT OF A JOINT VENTURE COMPANY**

CDVPL, a wholly-owned subsidiary of the Company has established a 51%-owned subsidiary, being the JV Company, for the purpose of the Transaction. The remaining 49% of the JV Company is owned by GUPL, being a wholly-owned subsidiary of LBGL. Information relating to the JV Company is as follows:

Name of company:	Centurion-Lian Beng (Ubi) Pte. Ltd.
Place of incorporation:	the Republic of Singapore
Principal activity:	provision of dormitory services
Initial issued and paid-up share capital:	S\$100.00 comprising 100 ordinary shares
Shareholders:	Centurion Dormitory Venture Pte. Ltd. — 51 ordinary shares (51%) Goldprime (Ubi) Pte. Ltd. — 49 ordinary shares (49%)

As at the date of this announcement, the book value and NTA value of the shares of the JV Company are S\$100.00 respectively.

The establishment of the JV Company 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 financial year ended 31 December 2022 and 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 Transaction and the establishment of the JV Company.

## **SERVICE CONTRACTS OF DIRECTORS**

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

## **SINGAPORE LISTING MANUAL IMPLICATIONS**

As one of the applicable relative figures for the Transaction computed on the bases set out in Rule 1006 of the Singapore Listing Manual exceeds 5% but does not exceed 20%, the Transaction 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 Transaction is above 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company and is subject to notification 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:

“Australia”	the Commonwealth of Australia
“Acceptance Date”	13 January 2023, being the date of the Tender Acceptance Letter
“Board”	the board of Directors
“Building Agreement”	a building agreement in the form and on the terms and conditions as set out in Appendix F of the conditions of Tender to be signed by the JV Company with JTC Corporation (as the lessor)
“CDVPL”	Centurion Dormitory Venture 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)
“Director(s)”	the director(s) of the Company
“Group”	the Company together with its subsidiaries
“GST”	Goods and Services Tax chargeable under the Goods and Services Tax Act 1993, Laws of Singapore
“GUPL”	Goldprime (Ubi) Pte. Ltd., a company incorporated in the Republic of Singapore, which is a wholly-owned subsidiary of LBGL
“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 and its connected persons



“JV Company”	Centurion-Lian Beng (Ubi) Pte. Ltd., a company incorporated in the Republic of Singapore on 12 November 2022, being an indirect 51%-owned subsidiary of the Company, and is owned by the Company via CDVPL and LBGL via GUPL as to 51% and 49%, respectively
“Land”	the land held under lot no. 6689C of Mukim 23, located at Ubi Avenue 3 in Singapore comprises a land area of 7,044.80 square metres
“LBGL”	Lian Beng Group Ltd, a company incorporated in the Republic of Singapore which shares are listed on the Main Board of the SGX-ST, which is an Independent Third Party and an existing joint venture partner of the Company
“Lease”	the lease of the Land from JTC Corporation for a term of 30 years under the Tender
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM
“NTA”	net tangible assets
“PBWA”	purpose-built workers accommodation
“Proposed Development”	the proposed development and use of the Land by the JV Company of PBWA with a capacity of 1,650 beds (approved capacity) for foreign workers who are work permit holders
“Tender”	the form of tender submitted by the JV Company to JTC Corporation on 15 November 2022 indicating the Tendered Price for the Lease
“Tender Acceptance Letter”	the letter issued by JTC Corporation to the JV Company dated 13 January 2023

“Tendered Price”	the tendered sale price for the Lease, being approximately S\$40.2 million (equivalent to approximately HK\$237.5 million) (exclusive of GST, stamp duty and other transaction related costs) indicated in the Tender
“Transaction”	collectively, the Lease and the Proposed Development
“S\$” or “SGD”	Singapore dollars, the lawful currency of the Republic of Singapore
“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
“%”	per cent.

*Unless otherwise specified, amounts in this announcement denominated in S\$ were translated for the purpose of illustration only into Hong Kong dollars at the rate of S\$1.00:HK\$5.912. No representation is made that any amounts can be or could have been converted at the relevant dates at the above rate or any other rates at all.*

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

Hong Kong, Singapore, 15 January 2023

*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.*