



Centurion Corporation Limited

(Incorporated in the Republic of Singapore with limited liability)

(Company Registration No. 198401088W)

ENTRY INTO SUBSCRIPTION AGREEMENT AND PROVISIONS OF PROPORTIONATE SHAREHOLDER LOANS AND CORPORATE GUARANTEES IN RELATION TO LACHLAN AVENUE DEVELOPMENT PTY LTD – INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

The Board of Directors (“**Board**”) of Centurion Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Centurion Overseas Investments (II) Pte. Ltd. (“**COI(II)PL**”), an indirect wholly-owned subsidiary of the Company, has on 15 October 2024 entered into a Subscription and Shareholders Agreement (the “**Subscription Agreement**”) with Lachlan Avenue Development Pty Ltd (“**LAD**”) to subscribe for 2.5 million shares, representing a 25% equity interest, in the share capital of LAD, for a total consideration of AUD2.50 million (equivalent to SGD2.19 million)¹ (the “**Consideration**”) in accordance with the terms and subject to the conditions of the Subscription Agreement (the “**Share Subscription**”).

Following completion of the Share Subscription on 15 October 2024, LAD is 25% owned by COI(II)PL and 75% owned by Centurion Properties Australia Investments Pty Ltd (“**CPAI**”), a wholly-owned subsidiary of the controlling shareholders of the Company. The Company through the Share Subscription owns a 25% interest in a new student accommodation development project in Australia (the “**Development Project**”) and the remaining 75% interest is held by CPAI.

2. SHARE SUBSCRIPTION AND DEVELOPMENT PROJECT

2.1 Information relating to LAD is as follows:

Name of company:	Lachlan Avenue Development Pty Ltd
Place of incorporation:	Australia
Principal activity:	Property development
Issued share capital ² :	AUD10 million comprising 10 million ordinary shares
Shareholders ² :	(i) CPAI – 7.5 million ordinary shares (75%) (ii) COI(II)PL – 2.5 million ordinary shares (25%)

As at 30 June 2024, the book value and net tangible asset value of the shares of LAD are AUD7.29 million (converted to approximately SGD6.40 million)¹.

¹ Based on an exchange rate as at 10 October 2024 of SGD 1: AUD 0.8779

² Following completion of the share subscription



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2.2 The Development Project

LAD owns a site situated at 17-21 Lachlan Avenue and 163 Herring Road in Macquarie Park, NSW, Australia (the “**Site**”) and had in September 2023 obtained development approval and modified development approval in December 2023 for the Site to be developed into a 732-bed purpose-built student accommodation (“**PBSA**”).

In connection with the Development Project, LAD has secured loan facilities of an aggregate amount of AUD228.5 million (equivalent to SGD200.6 million)¹ from various financial institutions. In this regard, the Company would be providing corporate guarantees (the “**Corporate Guarantees**”) to the financial institutions in relation to the Development Project in the aggregate amount of AUD31.78 million (equivalent to SGD27.90 million)¹.

Construction work for the Development Project has commenced and is targeted to be completed in December 2025. Upon completion of the Development Project, the PBSA will be operated under the Group’s dwell student accommodation brand and management platform, as agreed with LAD.

2.3 Consideration for Share Subscription

The Consideration of AUD2.50 million (equivalent to SGD2.19 million)¹ paid by COI(II)PL to LAD for the share subscription was arrived at on a “willing-buyer, willing-seller” basis after arm’s length negotiation, and taking into account among others the Net Asset Value of LAD of AUD7.29 million (equivalent to SGD6.40 million)¹, with the Site recorded at a book value of AUD69.0 million (equivalent to SGD60.58 million)¹, as at 30 June 2024, and was funded by internal resources of COI(II)PL. The book value of the Site was supported by an independent valuation carried out by LAD in November 2023.

The Site has an indicative independent valuation of AUD73.1 million (equivalent to SGD64.17 million)¹ when carried out by LAD in March 2024. No independent valuation was conducted on LAD by COI(II)PL.

2.4 Shareholder Loans

COI(II)PL and CPAI have also entered into a loan agreement (the “**Shareholder Loan Agreement**”), pursuant to which COI(II)PL and CPAI have agreed to provide interest-bearing shareholder loans (the “**Shareholder Loans**”) to LAD, in proportion to their respective shareholding interests in LAD and on the same terms, to finance development costs and working capital requirements relating to the Development Project.

¹ Based on an exchange rate as at 10 October 2024 of SGD 1: AUD 0.8779



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Based on COI(II)PL's 25% shareholding interest in LAD, COI(II)PL will provide Shareholder Loans of up to AUD9.54 million (equivalent to SGD8.38 million)¹ (the "**Proportionate Shareholder Loans**") to LAD.

The Proportionate Shareholder Loans shall be repayable in full to COI(II)PL on such date(s) in accordance with the terms and conditions of the Shareholder Loan Agreement.

2.5 Aggregate Consideration

As the Group has a 25% interest in LAD and the Development Project, the aggregate amount to be contributed by the Group in relation to the below-mentioned transactions (collectively, referred to as the "**Transactions**") is estimated at approximately AUD43.82 million (equivalent to SGD38.47 million)¹ (the "**Aggregate Consideration**"), comprising:

- Consideration for the Share Subscription of AUD2.50 million (equivalent to SGD2.19 million)¹
- Corporate Guarantees in relation to the Development Project of AUD31.78 million (equivalent to SGD27.90 million)¹
- Proportionate Shareholder Loans to LAD of AUD9.54 million (equivalent to SGD8.38 million)¹.

3. **RATIONALE FOR AND BENEFITS OF ENTRY INTO THE SUBSCRIPTION AGREEMENT AND DEVELOPMENT PROJECT**

The Company's participation in the Development Project through the Share Subscription by COI(II)PL is in the ordinary course of business of the Group and in line with the Group's strategy to grow its accommodation business globally. The Development Project will further enlarge the Group's PBSA portfolio in Australia.

4. **FINANCIAL EFFECTS OF THE TRANSACTIONS**

The financial effects of the Transactions on the net tangible assets ("**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 of the Transactions. The financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2023, being the most recently completed financial year.

¹ Based on an exchange rate as at 10 October 2024 of SGD 1: AUD 0.8779



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NTA

Purely for illustrative purposes only and assuming that the Transactions had been completed on 31 December 2023, being the end of FY2023, the effect on the NTA per share as at 31 December 2023 is as follows:

	Before the Transactions	After the Transactions
NTA attributable to the equity holders (S\$'000)	825,770	825,770
NTA per share (Singapore cents)	98.21	98.21

Note: Based on a total of 840,778,624 issued ordinary shares (excluding treasury shares) as at 31 December 2023.

Earnings

Purely for illustrative purposes only and assuming that the Transactions had been completed on 1 January 2023, being the beginning of FY2023, the effect on the earnings per share for FY2023 is as follows:

	Before the Transactions	After the Transactions
Profit attributable to shareholders (S\$'000)	153,115	153,115
Weighted average number of shares ('000)	840,779	840,779
Earnings per share (Singapore cents)	18.21	18.21

Note: There are no operational profits attributable to the Site until the Development Project is completed. The Development Project is expected to be completed in December 2025.

Share Capital

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



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5. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

The applicable relative figures for the Transactions computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST are as follows:

Rule 1006	Bases	Relative Figures (%)
(b)	Net profits ⁽¹⁾ attributable to the assets ⁽²⁾ acquired, compared with the Group’s net profits ⁽³⁾	0.00
(c)	The aggregate value of the consideration given ⁽⁴⁾ , compared with the market capitalisation of the Company ⁽⁵⁾	5.38

Notes:

- (1) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (2) There are no profits attributable to the Site until the Development Project is completed. The Development Project is expected to be completed in December 2025.
- (3) Based on the latest announced unaudited consolidated financial statements of the Group for the six months period ended 30 June 2024, the Group’s net profits were approximately SGD146.0 million.
- (4) The Aggregate Consideration of AUD43.82 million (converted to approximately SGD38.47 million based on an exchange rate of SGD 1: AUD 0.8779).
- (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 14 October 2024, at the volume-weighted average price of S\$0.8503 per share transacted on 14 October 2024, being the market day preceding the date of the Subscription Agreement.

6. INTERESTED PERSON TRANSACTIONS

CPAI is an indirect wholly-owned subsidiary of Centurion Global Ltd (“**CGL**”) and a direct wholly-owned subsidiary of Centurion Properties Pte Ltd (“**CPPL**”). CPPL is a wholly-owned subsidiary of CGL. Both CGL and CPPL are controlling shareholders of the Company. CGL is owned equally by Mr Han Seng Juan (“**Mr Han**”) (Non-Executive Director, Joint Chairman of the Board and a controlling shareholder of the Company) and Mr Loh Kim Kang David (“**Mr Loh**”) (Executive Director, Joint Chairman of the Board and a controlling shareholder of the Company). Mr Han and Mr Loh are also Directors of CGL. Mr Wong Kok Hoe (Executive Director and Deputy Chairman of the Board) is a Director of CGL, CPPL and CPAI.

CPAI has a 75% interest in LAD and the Development Project.



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Under the SGX-ST's Listing Manual, each of LAD and CPAI is considered an associate of Mr Han and Mr Loh. Both Mr Han and Mr Loh, through their shareholding interests in CPAI held through CGL, have an interest in the above-mentioned transactions.

Accordingly, the Transactions including the provision of Proportionate Shareholder Loans and Corporate Guarantees by CPAI to LAD (an associated company of the Company) as stated in this announcement are regarded as interested person transactions ("**IPTs**") under Chapter 9 of the SGX-ST's Listing Manual.

Under Chapter 9 of the SGX-ST's Listing Manual, where an entity at risk (as defined in the Listing Manual) proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 3%, but is less than 5%, of the latest audited consolidated NTA of the issuer and its subsidiaries (the "**Issuer Group**"), an immediate announcement of the transaction must be made and if the value is equal to or exceeds 5% of the Issuer Group's latest audited consolidated NTA, approval of the shareholders of the issuer must be obtained.

The aggregate value of the aforementioned IPTs of SGD38.47 million when aggregated with SGD0.31 million which comprises the (a) value of all IPTs entered into by the Group for the period from 1 January 2024 up to the date of this announcement and (b) estimated value of all IPTs anticipated to be entered into with Mr Han and/or Mr Loh and his/their associates for the current financial year amounts to SGD38.78 million, representing approximately 4.70% of the Group's latest audited NTA of SGD825.77 million as at 31 December 2023. As the value of such IPTs exceeds 3% but is less than 5% of the Group's latest audited NTA, the Company is required to make an immediate announcement pursuant to Rule 905 of the SGX-ST's Listing Manual, but is not required to seek shareholders' approval pursuant to Rule 906 of the SGX-ST's Listing Manual.

Save as disclosed above, there are no other transactions that have been entered into by the Group with other interested persons during the course of the current financial year (excluding any transaction with a value of less than SGD100,000), as at the date of this announcement.

7. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company, having reviewed and carefully considered the terms of the Transactions, is of the view that the Transactions are on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders.



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8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above-mentioned transactions save for their shareholdings (if any) in the Company.

9. SERVICE CONTRACTS OF DIRECTORS

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

10. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection at the registered office of the Company, at 45 Ubi Road 1 #05-01, Singapore 408696, during normal business hours for a period of three (3) months from the date of this announcement.

By Order of the Board

Kong Chee Min
Chief Executive Officer

15 October 2024