



SINGAPORE eDEVELOPMENT LIMITED

(Incorporated in Singapore)
(Company Registration No. 200916763W)

(A) THE PROPOSED REDEMPTION OF THE EXCHANGEABLE NOTES

(B) THE PROPOSED SUBSCRIPTION OF 117,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY BY HENGFAI BUSINESS DEVELOPMENT PTE LTD, AN ASSOCIATE OF MR CHAN HENG FAI, A DIRECTOR AND CONTROLLING SHAREHOLDER OF THE COMPANY

(A) THE PROPOSED REDEMPTION OF THE EXCHANGEABLE NOTES

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's circular to shareholders dated 28 October 2013 (the "Notes Circular"), in relation to, inter alia, the Proposed Notes Issue.

1. INTRODUCTION

The Board of Directors (the "**Board**") of Singapore eDevelopment Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the Notes Circular and wishes to announce that the Company is proposing to redeem all existing 20 Notes (the "**Proposed Redemption**") by using part of proceeds from the proposed placement of 117,000,000 new ordinary shares in the capital of the Company to Hengfai Business Development Pte. Ltd. (further details of the proposed placement can be found under Part B of this announcement). The Proposed Redemption will be effected upon completion of the Proposed Subscription and the Company expects the Proposed Redemption to be completed by 30 June 2016.

2. THE PROPOSED REDEMPTION

The Notes will mature on 21 February 2017 and the Company is proposing an early redemption of the Notes (together with accrued interest and applicable redemption premium) to strengthen the balance sheet of the Company, to save on the interest expense and to reduce the gearing of the Company. The amount of potential savings arising from early redemption of the Notes is approximately S\$580,000 in interest and further S\$100,000 from redemption premium assuming that the redemption of the Notes is completed by 30 June 2016.

Of the 20 existing Notes, 18 Notes were held, directly or indirectly, by the following Directors / Substantial Shareholders of the Company:

Name of Noteholder	Number of Notes held / Aggregate Principal Amount
Hengfai Business Development Pte. Ltd. (" HBD ") (a company which is wholly owned by Mr Chan Heng Fai, the Executive Director and Chief Executive Officer of the Company)	Fourteen (14) / S\$3,500,000
Mr Teh Wing Kwan (Non-Executive Director of the Company)	Two (2) / S\$500,000
Mr Toh Soon Huat (Substantial shareholder of the Company)	Two (2) / S\$500,000

Pursuant to the terms and conditions of the Notes, the Proposed Redemption will constitute a modification by the Company of the terms and conditions of the Notes, which will require (i) the written approval of holders of 51% or more of the aggregate principal amount of Notes currently outstanding; and (ii) the approval of the shareholders of the Company. As at the date of this announcement, the Company had secured the written approval of holders of 51% or more of the Notes currently outstanding and the Company will be seeking approval of the Shareholders in relation to the Proposed Redemption at a general meeting to be convened.

(B) THE PROPOSED SUBSCRIPTION OF 117,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY BY HENGFAI BUSINESS DEVELOPMENT PTE LTD, AN ASSOCIATE OF MR CHAN HENG FAI, A DIRECTOR AND CONTROLLING SHAREHOLDER OF THE COMPANY

3. INTRODUCTION

The Board wishes to announce that the Company is proposing the placement of 117,000,000 new Shares (the “**Subscription Shares**”) to HBD (the “**Subscriber**”), a substantial shareholder and an associate of Mr Chan Heng Fai, who is a Director and controlling shareholder of the Company, at the issue price of S\$0.06 (the “**Issue Price**”) for each Subscription Share, for the aggregate consideration of S\$7,020,000 (the “**Proposed Subscription**”). HBD is wholly-owned by Mr Chan Heng Fai.

4. THE PROPOSED SUBSCRIPTION

4.1 Introduction to the Proposed Subscription

The Company has on 29 January 2016 entered in a subscription agreement with the Subscriber, pursuant to which the Subscriber agreed to subscribe for, and the Company agreed to allot and issue to the Subscriber, an aggregate of 117,000,000 Subscription Shares at the Subscription Price for the aggregate consideration of S\$7,020,000 (the “**Subscription Agreement**”).

Rule 804 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) provides that, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Rules 812(1)(a) and 812(1)(d) of the Catalist Rules further provide that an issue must not be placed to an issuer’s directors and substantial shareholders, or corporations in whose shares the issuer’s directors and substantial shareholders have an aggregate interest of at least 10%, unless specific shareholder approval for such a placement has been obtained.

HBD is a substantial shareholder of the Company, and Mr Chan Heng Fai is its sole director and shareholder. Mr Chan Heng Fai is an Executive Director and the Chief Executive Officer, as well as a controlling shareholder of the Company. Accordingly, the Company will be seeking the approval from shareholders of the Company (“**Shareholders**”) for the Proposed Subscription at a general meeting to be convened.

4.2 Authority to issue the Subscription Shares

The issue and allotment of the Subscription Shares will be made pursuant to a specific mandate and the Company will be seeking specific Shareholders’ approval for the issuance of the Subscription Shares in accordance with Rule 805(1) of the Catalist Rules and Section 161 of the Companies Act.

Mr Chan Heng Fai and HBD shall abstain from voting on the resolution approving the Proposed Subscription and issuance of the Subscription Shares in accordance with Rule 812(2) of the Catalist Rules.

4.3 The Proposed Subscription as a private placement

The offer of the Subscription Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription.

5. TERMS OF THE PROPOSED SUBSCRIPTION

5.1 Conditions precedent

The completion of the Proposed Subscription is conditional upon, *inter alia*:

- (a) the Company having obtained shareholders' approval for the issue of the Subscription Shares to the Subscriber in compliance with the Catalist Rules such as (i) Rule 812 of the Catalist Rules in relation to a placement of shares to the Company's directors and substantial shareholders and/or corporations in whose shares the Company's directors and substantial shareholders have an aggregate interest of at least 10% and (ii) Rule 906 of the Catalist Rules in relation to the Proposed Subscription as an interested person transaction;
- (b) the listing and quotation notice ("**LQN**") of the Subscription Shares on the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") being obtained from the SGX-ST via the sponsor of the Company, Hong Leong Finance Limited (the "**Sponsor**") and not revoked or amended as at the date of completion of the Proposed Subscription and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Subscriber) (the "**Listing Approval**");
- (c) written confirmation from the Securities Industry Counsel ("**SIC**") that the Subscriber does not need to make a mandatory general offer for all the Shares not owned or controlled by the Subscriber or parties acting in concert with it under the Singapore Code on Take-overs and Mergers (the "**Code**"), pursuant to the Proposed Subscription ("**SIC Approval**") and such SIC Approval not being withdrawn prior to the completion of the Proposed Subscription;
- (d) an opinion from an independent financial adviser in relation to the Proposed Subscription and the whitewash resolution from independent Shareholders for the waiver of their right to receive such a mandatory offer from the Subscriber or parties acting in concert with it being obtained;
- (e) the approval of a whitewash resolution from independent Shareholders for the waiver of their right to receive such a mandatory offer from the Subscriber or parties acting in concert with him (the "**Whitewash Resolution**");
- (f) the conditions (if any) attached to the SIC Approval which are required to be fulfilled on or before the date of completion of the Proposed Subscription having been fulfilled on or before that date or waived by the SIC;
- (g) an opinion from the independent financial adviser in relation to the Proposed Subscription and the interested person transaction being obtained;
- (h) the issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the respective subscription agreements by any applicable legislative, executive or regulatory body or authority of Singapore;
- (i) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Subscription Agreement untrue or incorrect in any material

respect as at the completion date of the Proposed Subscription as if they had been given again on the respective completion dates;

- (j) the Company and the Subscriber not being in breach of any of the undertakings and the covenants in the Subscription Agreement as at the date of completion of the Proposed Subscription;

The Sponsor will make an application on behalf of the Company to the SGX-ST for the Listing Approval. An announcement of the receipt of the LQN in relation to the Subscription Shares will be made in due course when the LQN is obtained.

5.2 Subscription Price

The Subscription Price of S\$0.06 represents a premium of approximately 104% on the volume weighted average price of the Shares traded on the SGX-ST on the full market day on which the Subscription Agreement was signed and on which the Shares were traded being 29 January 2016.

The Subscription Price was agreed upon following arm's length negotiations between the Company and the Subscriber, taking into consideration, an estimate of the net asset value of the Group. There shall be no adjustment made to the Subscription Price for any reason whatsoever.

6. DETAILS OF THE SUBSCRIBER

HBD is a substantial shareholder of the Company, and Mr Chan Heng Fai is the sole director and shareholder of HBD. Mr Chan Heng Fai is an Executive Director and the Chief Executive Officer of the Company, and is also a controlling shareholder of the Company.

No placement agent has been appointed by the Company in respect of the Proposed Subscription.

7. RATIONALE AND USE OF PROCEEDS

The Group will use the proceeds from the Proposed Subscription to redeem the Notes and to provide for general working capital of the Group. The Directors have considered various methods of fund raising and have concluded that a placement is the most feasible method at this stage.

The estimated net proceeds to be raised from the Proposed Subscription (net of the estimated expenses of approximately S\$100,000 in connection with the Proposed Subscription) is approximately S\$6,920,000 (collectively, the "**Net Proceeds**").

The Company intends to utilise the entire Net Proceeds in the following manner:

Use of Proceeds	Net Proceeds	
	Amount (S\$'000)	Percentage of Proceeds (%)
Redemption of Notes and related accrued interest and redemption premium ⁽¹⁾		
• Redemption of Notes	5,000	72.3
• Payment of accrued interest	1,220	17.6
• Payment of redemption premium	200	2.9
General Working Capital	500	7.2
Total	6,920	100.0

Notes:

(1) This is assuming that the redemption of Notes take place on or before 30 June 2016.

The amount payable by HBD for the subscription of 117,000,000 Subscription Shares will be set-off against the amount payable by the Group to HBD in relation to the Proposed Redemption.

The Company undertakes to make periodic announcements on the use of the Net Proceeds as and when such proceeds are materially disbursed and will report on the use of the Net Proceeds in the annual report(s) of the Company, until such time when such proceeds have been fully utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the Net Proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may in their absolute discretion deem fit, from time to time.

8. CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that:

- (a) after taking into consideration the present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements.
- (b) after taking into consideration the present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

9. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

The financial effects of the Proposed Subscription set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Subscription. The table below sets out the financial effects of the Proposed Subscription based on and taking into account the following bases and assumptions:

- (a) the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 (“**FY2014**”);
- (b) placement of 15,000,000 Shares to Mr Ben Fan pursuant to the placement agreement dated 16 June 2015 (“**June 2015 Placement**”)
- (c) the Net Proceeds from the Proposed Subscription is approximately S\$6,920,000;
- (d) the financial impact on the consolidated net tangible assets (“**NTA**”) per Share is computed based on the assumption that the Proposed Subscription and June 2015 Placement were completed on 31 December 2014;
- (e) the financial impact on the consolidated earnings per share (“**EPS**”) is computed based on the assumption that the Proposed Subscription and June 2015 Placement were completed on 1 January 2014; and
- (f) the financial impact on the gearing ratio is computed based on the assumption that the Proposed Subscription was completed on 31 December 2014.

	Before completion of the Proposed Subscription	After completion of the Proposed Subscription
Share capital (S\$'000)	68,539	75,459
Number of Shares	300,295,850	417,295,850
Weighted Average Number of Shares	107,288,000	224,288,000
NTA (S\$'000)	22,966	29,886
NTA per Share (Singapore cents)	7.6	7.2
EPS (Singapore cents)	(17.3)	(8.3)
Gearing (%)	45%	27%

10. SHAREHOLDING EFFECTS OF THE PROPOSED SUBSCRIPTION

Upon the completion of the Proposed Subscription, the Company's issued share capital will increase from 300,295,850 Shares to 417,295,850 Shares.

The shareholding effects of the Proposed Subscription to the existing substantial shareholders of the Company (including direct and deemed interest) are set out below:

Name	Number of Shares before the Proposed Subscription	As a percentage of the total share capital before the Proposed Subscription (%) ⁽¹⁾	Number of Shares after the Proposed Subscription	As a percentage of the total share capital after the Proposed Subscription (%) ⁽²⁾
Chan Heng Fai ⁽³⁾	85,000,000	28.3%	202,000,000	48.4%
HBD ⁽³⁾	38,250,000	12.7%	155,250,000	37.2%
Toh Soon Huat	33,502,200	11.2%	33,502,200	8.0%

Notes:

- (1) Based on the Existing Share Capital.
- (2) Based on the Enlarged Share Capital.
- (3) Mr Chan Heng Fai is a company director and sole shareholder of HBD and is deemed interested in the Shares held by HBD. As at the date of this announcement, Mr Chan Heng Fai and HBD also held 25,904,781 bonus warrants, 10,997,825 piggyback warrants, 1,061,333 share options and 14 Exchangeable Notes, each with a principal amount of S\$250,000 and exchangeable into 58,333,333 Shares, subject to anti-dilution and adjustment provisions.

There will be no change in control in the Company pursuant to the completion of the Proposed Subscription.

11. THE WHITEWASH WAIVER

The issuance of the Subscription Shares to HBD will result in an obligation of the part of HBD and Mr Chan Heng Fai (as persons acting in concert with HBD) to make a mandatory offer under Rule 14 of the Code. In this regard, the Company will seek the approval of (i) SIC for granting a waiver of the Subscriber's obligation to make a mandatory general offer under the Code, for all the Shares not owned or controlled by the Subscriber or parties acting in concert with it and (ii) the approval of a whitewash resolution from independent Shareholders for the waiver of their right to receive such a mandatory offer from the Subscriber or parties acting in concert with it, and such other conditions that the SIC may impose which are reasonably acceptable to the Company.

12. THE PROPOSED SUBSCRIPTION AS INTERESTED PERSON TRANSACTION

HBD is a controlling shareholder of the Company, and is wholly-owned by an Executive Director and the Chief Executive Officer (“CEO”) of the Company, Mr Chan Heng Fai. Accordingly, HBD is considered an “interested person” within the meaning of Chapter 9 of the Catalist Rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the Proposed Subscription is transaction between an interested person and an entity at risk within the meaning of Chapter 9 of the Catalist Rules.

Pursuant to the Proposed Subscription, the values of the interested person transactions to be entered into by HBD and the Company will amount to S\$7,020,000, which represents approximately 32.2% respectively of the net asset value (“NAV”) of the Group in the financial year ended 31 December 2014 (“FY2014”).

Independent Shareholders’ approval is therefore required for the Proposed Subscription pursuant to Rule 906(1) of the Catalist Rules as an interested person transaction.

Based on Rule 921(4)(a) of the Catalist Rules, the Company is also required to and will appoint an independent financial adviser to advise the relevant recommending Directors as to whether the Proposed Subscription is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

The Audit and Risk Management Committee of the Company will be obtaining an opinion from an independent financial adviser to be appointed before forming its view on the Proposed Subscription, which will be announced by the Company subsequently.

Save for the Proposed Subscription, the Group has not entered into any interested person transaction with HBD and/or any other party for the financial year ending 31 December 2016.

13. CIRCULAR TO SHAREHOLDERS

As the Proposed Redemption and the Proposed Subscription are conditional upon the Company having obtained Shareholders’ approval, a circular to the Shareholders containing, *inter alia*, information on the Proposed Redemption and the Proposed Subscription will be despatched to the Shareholders in due course.

14. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors and/or substantial shareholders or persons connected to the Directors or substantial shareholders of the Company has any interest, whether direct or indirect, in the Proposed Redemption and the Proposed Subscription save for their respective shareholdings in the Company.

15. CAUTION IN TRADING

Shareholders and potential investors of the Company are hereby reminded to exercise caution when dealing in the securities of the Company. In particular, shareholders and investors of the Company are reminded that there is no assurance that any transactions mentioned in this announcement will materialise. Persons who are in doubt to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisors.

16. RESPONSIBILITY STATEMENT

The Directors of the Company, collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Redemption and the Proposed Subscription, the Company and its subsidiaries, and the Directors of the

Company are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreement are available for inspection at the Company's registered office at 10 Windstedt Road, Block A #02-02 Singapore 227977 during normal business hours for a period of three (3) months commencing from the date of this announcement.

BY ORDER OF THE BOARD
SINGAPORE EDEVELOPMENT LIMITED

Chan Heng Fai
Executive Director and Chief Executive Officer

29 January 2016

This announcement has been prepared by the Company and its contents have been reviewed by Hong Leong Finance Limited (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr Tang Yeng Yuen, VP, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, telephone: +65 6415-9886.