Singapore eDevelopment Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number 200916763W)

SINGAPORE EDEVELOPMENT LIMITED PERFORMANCE SHARE PLAN

(1) RECEIPT OF LISTING AND QUOTATION NOTICE
(2) UPDATES TO GRANTS OF SHARE AWARDS UNDER THE SINGAPORE EDEVELOPMENT LIMITED PERFORMANCE SHARE PLAN

Introduction

The Board of Directors (the "**Board**") of Singapore eDevelopment Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to:

(a) The circular to shareholders dated 7 October 2014 containing relevant information relating to, *inter alia*, the proposed adoption of the Singapore eDevelopment Limited Performance Share Plan and the proposed participation in the Singapore eDevelopment Limited Performance Share Plan by Mr Chan Heng Fai; and

(b) The extraordinary general meeting convened by the Company on 23 October 2014 to seek shareholders' approval for, *inter alia*, the proposed adoption of the Singapore eDevelopment Limited Performance Share Plan and the proposed participation in the Singapore eDevelopment Limited Performance Share Plan by Mr Chan Heng Fai.

Receipt of Listing and Quotation Notice

The Board wishes to announce that:

(a) The Company had, on 23 April 2020, submitted an additional listing application for the listing and quotation of new ordinary shares in the capital of the Company (the "**Performance Shares**") that may be allotted and issued upon vesting of share awards granted under the Singapore eDevelopment Limited Performance Share Plan to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), through its Sponsor, Hong Leong Finance Limited; and

(b) The SGX-ST had, on 30 April 2020, issued a Listing and Quotation Notice advising that the Company may proceed with the listing and quotation of the Performance Shares, subject to compliance with the SGX-ST's listing requirements.

The Listing and Quotation Notice is not an indication of the merits of the Singapore eDevelopment Limited Performance Share Plan, the Performance Shares, the Company, its subsidiaries and their securities.

Objective of the Singapore eDevelopment Limited Performance Share Plan

The Singapore eDevelopment Limited Performance Share Plan was adopted at an extraordinary general meeting of the Company held on 23 October 2014.

According to the circular to shareholders dated 7 October 2014 containing relevant information relating to, *inter alia*, the proposed adoption of the Singapore eDevelopment Limited Performance Share Plan:

(a) The Company currently has in place the Singapore eDevelopment Limited Share Option Scheme, which was adopted on 20 November 2013, to provide an opportunity for employees who have contributed significantly to the growth and performance of the Group, as well as Directors of the Company who satisfy the eligibility criteria, to participate in the equity of the Company.

(b) The Company undertook a review of employee remuneration and benefits and proposed to introduce the Singapore eDevelopment Limited Performance Share Plan to promote higher performance goals, recognise exceptional achievement and retain talents within the Group. The Singapore eDevelopment Limited Performance Share Plan is designed to reward and retain Group Employees (as defined below) and Group Executive Directors (as defined below) whose services are vital to the well-being and success of the Group.

(c) The Singapore eDevelopment Limited Performance Share Plan contemplates the award of full-paid Performance Shares to participants after certain pre-determined performance targets have been met. The Company believes that the Singapore eDevelopment Limited Performance Share Plan will be more effective and rewarding than pure cash bonuses in motivating employees to work towards pre-determined goals of the Company.

(d) The Company believes that attracting and retaining outstanding individuals as employees is paramount to the Group's long-term objective of achieving continuous growth, expansion and profitability in its business and operations. It is hoped through the implementation of the Singapore eDevelopment Limited Performance Share Plan concurrently with the Singapore eDevelopment Share Option Scheme, the Company will be able to remain an attractive and competitive employee and be better positioned to manage its fixed overhead costs without compromising on performance standards and efficiency.

(e) The Company further believes that the Singapore eDevelopment Limited Performance Share Plan will complement the existing Singapore eDevelopment Limited Share Option Scheme and serve as an additional and flexible incentive tool for the Group. With the Singapore eDevelopment Limited Performance Share Plan and the Singapore eDevelopment Limited Share Option Scheme, the Company will be able to tailor share-based incentives according to the objectives to be achieved by combining share awards granted under the Singapore eDevelopment Limited Performance Share Plan with the share options granted under the Singapore eDevelopment Limited Share Option Scheme.

(f) The Singapore eDevelopment Limited Performance Share Plan is based on the principle of pay-for-performance and is designed to enable the Company to reward, retain and motivate employees to achieve superior performance. The purpose of adopting the Singapore eDevelopment Limited Performance Share Plan is to give the Company greater flexibility to align the interests of employees with the interests of shareholders. The Singapore eDevelopment Limited Performance Share Plan will:

    (i) give recognition to contributions made or to be made by participants by introducing a variable component into their remuneration package;

(ii) motivate participants to achieve high efficiency and productivity and improve the performance of the Group and its businesses, as may be reflected in the price of the shares of the Company and with the view of aligning their interests to those of shareholders;

(iii) provide an opportunity for participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long-term prosperity of the Group and promoting organisational commitment, dedication and loyalty of participants towards the Group with a view to building a core group of talented Group Employees (as defined below); and

(iv) increase the competitiveness of the Group by giving it the option to use the Singapore eDevelopment Limited Performance Share Plan as a component in its remuneration and incentive packages to attract and retain key Group Employees (as defined below) whose contributions are important to the growth and profitability of the Group.

Overview of the Singapore eDevelopment Limited Performance Share Plan

According to the circular to shareholders dated 7 October 2014 containing relevant information relating to, *inter alia*, the proposed adoption of the Singapore eDevelopment Limited Performance Share Plan:

(a) The Singapore eDevelopment Limited Performance Share Plan is designed to award its participants by the allotment and issue and/or the transfer of fully-paid Performance Shares according to the extent to which they achieve their performance targets over set performance periods, as may be determined by the Remuneration Committee. Share awards granted under the Singapore eDevelopment Limited Performance Share Plan shall vest only after the participants achieve pre-determined performance targets. For example, a share award may be granted with a performance target based on the successful completion of a project or the successful achievement of certain quantifiable performance conditions, such as sales growth or productivity enhancement.

(b) The Rules of the Singapore eDevelopment Limited Performance Share Plan are in compliance with the Catalist Rules relating to share schemes. The Rules of the Singapore eDevelopment Limited Performance Share Plan are set out in the Appendix to the circular to shareholders dated 7 October 2014 containing relevant information relating to, *inter alia*, the proposed adoption of the Singapore eDevelopment Limited Performance Share Plan.

Eligibility to Participate in the Singapore eDevelopment Limited Performance Share Plan

Subject to the absolute discretion of the Remuneration Committee, any confirmed employee of the Group (including any director of the Group who performs an executive function ("**Group Executive Director**")) ("**Group Employee**") selected by the Remuneration Committee to participate in the Singapore eDevelopment Limited Performance Share Plan in accordance with the Rules of the Singapore eDevelopment Limited Performance Share Plan shall be eligible to participate in the Singapore eDevelopment Limited Performance Share Plan, provided that such persons (a) have attained the age of 21 years; (b) are not undischarged bankrupts and have not entered into any compositions with their respective creditors; (c) hold such rank as the Remuneration Committee may determine from time to time; (d) have, as at the date of grant, been in the employment of the Group for at least 12 months; and (e) have, in the opinion of the Remuneration Committee, contributed or will contribute towards the Group's long-term success. For the avoidance of doubt, Non-Executive Directors of the Company shall not be eligible to participate in the Singapore eDevelopment Limited Performance Share Plan.

Subject to the absolute discretion of the Remuneration Committee, a controlling shareholder or an associate of a controlling shareholder who meets the criteria as set out above is eligible to participate in the Singapore eDevelopment Limited Performance Share Plan, provided that his participation in the Singapore eDevelopment Limited Performance Share Plan and the grant of share awards to him, including the actual number of Performance Shares and the terms of the share awards to be granted to him, shall be subject to independent shareholders' approval at a general meeting in separate resolutions. The circular to shareholders to seek independent shareholder's approval for such matters shall disclose the rationale and justification for his participation in the Singapore eDevelopment Limited Performance Share Plan and for the grant of share awards, including the actual number of Performance Shares and the terms of such share awards.

Size and Duration of the Singapore eDevelopment Limited Performance Share Plan

The aggregate number of Performance Shares available under the Singapore eDevelopment Limited Performance Share Plan, when added to all shares, options or awards granted under any other share option scheme, performance share plan or share incentive scheme of the Company then in force, shall not exceed 20% of the total number of issued shares in the share capital of the Company (excluding treasury shares and subsidiary holdings) from time to time.

The actual number of Performance Shares which are subject of share awards granted to participants who are controlling shareholders or associates of a controlling shareholder under the Singapore eDevelopment Limited Performance Share Plan shall comply with the following limits:

(a) the aggregate number for Performance Shares available to controlling shareholders and associates of a controlling shareholder under the Singapore eDevelopment Limited Performance Share Plan shall not exceed 25% of the Performance Shares available under Singapore eDevelopment Limited Performance Share Plan; and

(b) the number of Performance Shares available to each controlling shareholder or associate of a controlling shareholder under the Singapore eDevelopment Limited Performance Share Plan shall not exceed 10% of the Performance Shares available under Singapore eDevelopment Limited Performance Share Plan.

The Singapore eDevelopment Limited Performance Share Plan shall continue in force at the absolute discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on 23 October 2014 (i.e. the date on which shareholders' approval was obtained for the adoption of the Singapore eDevelopment Limited Performance Share Plan). Subject to compliance with any applicable laws and regulations in Singapore, the Singapore eDevelopment Limited Performance Share Plan may continue beyond the above stipulated period with the approval of shareholders by ordinary resolution at a general meeting and the approval of any relevant authorities which may then be required.

The Singapore eDevelopment Limited Performance Share Plan may be terminated at any time by the Remuneration Committee, or by shareholders by ordinary resolution at a general meeting subject to all approvals of any relevant authorities which may then be required, and if the Singapore eDevelopment Limited Performance Share Plan is so terminated, no further share awards shall be granted by the Company thereunder.

The termination, discontinuance or expiry of the Singapore eDevelopment Limited Performance Share Plan shall not affect the share awards which have been granted in accordance with Rules of the Singapore eDevelopment Limited Performance Share Plan, whether such share awards have been vested (whether fully or partially) or not.

Financial Effects of the Singapore eDevelopment Limited Performance Share Plan

(a) Share Capital

The grant of share awards under the Singapore eDevelopment Limited Performance Share Plan will result in an increase in the total number of issued shares in the share capital of the Company to the extent that Performance Shares are allotted and issued upon vesting of share awards granted under the Singapore eDevelopment Limited Performance Share Plan. The number of Performance Shares allotted and issued will depend on, *inter alia*, the number of share which are the subject of the vested share award. However, if treasury shares are transferred to the participants in lieu of allotting and issuing Performance Shares to the participants, the Singapore eDevelopment Limited Performance Share Plan will have no impact on the total number of issued shares in the share capital of the Company.

(b) Earnings per Share

The grant of share awards under the Singapore eDevelopment Limited Performance Share Plan will result in a charge to earnings equivalent to the fair value of the share awards as at the date of grant, and recognised over the period from the date of grant to the vesting date. Although the Singapore eDevelopment Limited Performance Share Plan will have a dilutive impact on the earnings per share of the Company and the Group, the delivery of Performance Shares to participants in respect of share awards granted under the Singapore eDevelopment Limited Performance Share Plan is contingent upon the participants satisfying or exceeding prescribed performance targets which will take into consideration, *inter alia*, the contributions of the participants towards the financial performance of the Group.

(c) Net Tangible Assets

The grant of share awards under the Singapore eDevelopment Limited Performance Share Plan will result in a charge to the Company's and the Group's income statements equivalent to the fair value of the share awards as at the date of grant, and recognised over the period from the date of grant to the vesting date. The allotment and issue of Performance Shares under the Singapore eDevelopment Limited Performance Share Plan will not have an impact on the net tangible assets of the Company and the Group. If treasury shares are transferred to participants, the net tangible assets of the Company and the Group will decrease by the cost at which such treasury shares were purchased. Although the Singapore eDevelopment Limited Performance Share Plan will result in a charge to the Company's and the Group's income statements, the delivery of Performance Shares to participants in respect of share awards granted under the Singapore eDevelopment Limited Performance Share Plan is contingent upon the participants satisfying or exceeding prescribed performance targets which will take into consideration, *inter alia*, the contributions of the participants towards the financial performance of the Group.

(d) Dilutive Impact

The dilutive impact of the Singapore eDevelopment Limited Performance Share Plan on the earnings per share and the net tangible assets per share of the Company and the Group is not expected to be significant.

(e) Potential Cost of Share Awards

The grant of share awards under the Singapore eDevelopment Limited Performance Share Plan is considered a share-based payment that falls under the scope of SFRS(I) 2. The share awards, if settled by way of the allotment and issue of Performance Shares or by way of a transfer of treasury shares, would be accounted for as equity-settled share-based payment transactions, as described in the following paragraphs.

The grant of share awards under the Singapore eDevelopment Limited Performance Share Plan will result in a charge to the Company's and the Group's income statements equivalent to the fair value of the share awards as at the date of grant, and recognised over the period from the date of grant to the vesting date. The total amount of the charge over the vesting periods are determined by reference to the fair value of each share award granted as at the date of grant and the number of Performance Shares delivered as at the vesting date, with a corresponding credit to the reserve account.

The charge to the Company's and the Group's income statement also depends on whether or not the performance targets prescribed in a share award is measured by reference to the market price of the Performance Shares. This is known as a market condition. At each reporting date, the number of Performance Shares that are expected to be delivered pursuant to the vesting of share awards under the Singapore eDevelopment Limited Performance Share Plan are estimated. The impact on the revision of original estimates is recognised as an expense in the Company's and the Group's income statements, and as a corresponding adjustment to the reserve account over the remaining vesting periods, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions. No expense is recognised for share awards that do not ultimately vest, except for share awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other prescribed performance targets are satisfied or exceeded.

Participation in the Singapore eDevelopment Limited Performance Share Plan by Mr Chan Heng Fai

Pursuant to Rule 852 of the Catalist Rules, participation in a scheme by controlling shareholders and their associates must be approved by independent shareholders of the issuer and a separate resolution must be passed for each person and to approve the actual number and terms of options to be granted to that participant.

Mr Chan Heng Fai is a controlling shareholder of the Company. Accordingly, participation in the Singapore eDevelopment Limited Performance Share Plan by Mr Chan Heng Fai and the grant of share awards to Mr Chan Heng Fai (including the actual number of Performance Shares and the terms of the share awards to be granted to Mr Chan Heng Fai) must be approved by independent shareholders by separate resolutions.

Independent shareholders have approved the participation in the Singapore eDevelopment Limited Performance Share Plan by Mr Chan Heng Fai at an extraordinary general meeting of the Company held on 23 October 2014. Therefore, it shall not be necessary to obtain independent shareholders' approval for the participation in the Singapore eDevelopment Limited Performance Share Plan by Mr Chan Heng Fai again, and independent shareholders' approval is only required for share awards to be granted to Mr Chan Heng Fai from time to time.

Grant of Share Awards under the Singapore eDevelopment Limited Performance Share Plan

As announced by the Company on 27 March 2020, the Company has, on 27 March 2020, granted 44,778,600 share awards to eligible participants under the Singapore eDevelopment Limited Performance Share Plan. The 44,778,600 share awards granted under the Singapore eDevelopment Limited Performance Share Plan comprise 35,278,600 share awards granted to Directors of the Company, 7,500,000 share awards granted to employees of the Group and 2,000,000 share awards granted to consultants of the Group. Shareholders are also advised to refer to the full text of the Company's announcement dated 27 March 2020 available on the website of the SGX-ST at www.sgx.com for further details.

Grant of Share Awards to Directors of the Company under the Singapore eDevelopment Limited Performance Share Plan

As mentioned in the section titled "Eligibility to Participate in the Singapore eDevelopment Limited Performance Share Plan" above, Non-Executive Directors of the Company shall not be eligible to participate in the Singapore eDevelopment Limited Performance Share Plan.

As mentioned in the Company's announcement dated 27 March 2020, Mr Chan Heng Fai is a controlling shareholder of the Company and the grant of share awards to Mr Chan Heng Fai under the Singapore eDevelopment Limited Performance Share Plan shall be subject to approval by independent shareholders by a separate resolution pursuant to Rule 852 of the Catalist Rules.

The Company is proposing to convene a general meeting to seek shareholders' approval:

(a) to amend the Singapore eDevelopment Limited Performance Share Plan to allow Non-Executive Directors of the Company to participate in the Singapore eDevelopment Limited Performance Share Plan; and

(b) for the proposed grant of 23,278,600 share awards to Mr Chan Heng Fai under the Singapore eDevelopment Limited Performance Share Plan which was announced by the Company on 27 March 2020,

(collectively, the "**Proposed Resolutions**"). A circular containing relevant information relating to the Proposed Resolutions will be sent to shareholders in due course.

Grant of Share Awards to Consultants of the Company under the Singapore eDevelopment Limited Performance Share Plan

As mentioned in the Company's announcement dated 27 March 2020, the grant of shares awards to consultants of the Group:

(a) shall be subject to a waiver from the SGX-ST from strict compliance with Rule 843 of the Catalist Rules which states, *inter alia*, that participation in the Singapore eDevelopment Limited Performance Share Plan is restricted to directors and employees of the Group; and

(b) may be subject to such conditions imposed by the SGX-ST, including but not limited to approval by shareholders in general meeting.

The Company has been informed by its Sponsor, Hong Leong Finance Limited, that the Catalist Rules do not provide for the grant of shares awards to consultants of the Group. In other words, consultants of the Group shall not be eligible to participate in the Singapore eDevelopment Limited Performance Share Plan.

Given the foregoing, the Company has decided not to proceed with the proposed grant of 2,000,000 share awards to consultants of the Group under the Singapore eDevelopment Limited Performance Share Plan. The total number of share awards granted under the Singapore eDevelopment Limited Performance Share Plan will be reduced from 44,778,600 to 42,778,600.

Further Announcements

The Company will make further announcements to update shareholders on the date of the general meeting convened to seek shareholders' approval for the Proposed Resolutions and when there are material updates as may be necessary or appropriate.

By Order of the Board
Singapore eDevelopment Limited

Chan Heng Fai
Executive Chairman, Executive Director and Chief Executive Officer

4 May 2020

This announcement has been reviewed by the Company's Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange 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, Vice President, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, telephone (+65) 6415 9886.