# SINGAPORE eDEVELOPMENT LIMITED

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

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**INDEPENDENT AUDITOR'S REPORT**
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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1. The Board of Directors (the "**Board**") of Singapore eDevelopment Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's Independent Auditor, namely, Ernst & Young LLP (the "**Independent Auditor**"), had issued their Independent Auditor's Report on the audit of the financial statements of the Group for the financial year ended 31 December 2016 (the "**Financial Statements**") which contains an emphasis of matter.

2. The Company's Independent Auditor drew attention to Note 2.1 in the Financial Statements which stated, *inter alia*, certain conditions which indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The ability of the Group to continue as a going concern is dependent on the continued financial support from Hengfai Business Development Pte. Ltd. ("**HBD**"), a substantial shareholder of the Company.

3. If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are recorded in the balance sheet. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities. The Board however notes that no such adjustments have been made to the Financial Statements and the Company's Independent Auditor's opinion is not modified in respect of this matter.

4. The Board further notes that save for the matter described in paragraphs 2 and 3 above, the Company's Independent Auditor had expressed an unqualified opinion on the Financial Statements.

5. In relation to the material uncertainty referred to by the Company's Independent Auditor, the Board is of the view that the Group will be able to continue as a going concern by raising additional funds through, *inter alia*, the exercise of warrants issued pursuant to the 2016 rights cum warrants issue, the exercise of warrants issued pursuant to 2017 conversion of the HBD loan, the placement of new shares, extension of certain loans maturing within the next twelve (12) months, and generating positive cash flows from its operations. In addition, the Group has also obtained a confirmation from HBD that, *inter alia*, HBD will provide its irrevocable financial and other support for the next twelve (12) months to the Group.

6. For further details, please refer to copies of the Independent Auditor's Report and Note 2.1 in the Financial Statements attached hereto.

7. Shareholders of the Company are advised to read the Financial Statements in the Company's Annual Report, which will be despatched in due course, in its entirety.

8. The Company will make such announcements to update its shareholders when there are material updates as may be necessary or appropriate.

9. Shareholders and potential investors of the Company are hereby reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisors.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director and Chief Executive Officer

3 April 2017

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor 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 SGX-ST. The Sponsor and the SGX-ST assume 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, #40-01A Hong Leong Building, Singapore 048581, telephone: +65 6415-9886.*