SINGAPORE eDEVELOPMENT LIMITED
(Incorporated in Singapore)
(Company Registration No. 200916763W)

THE PROPOSED CONVERSION OF HBD LOAN AND THE PROPOSED ALLOTMENT AND ISSUANCE OF 372,855,000 CONVERSION SHARES AT THE CONVERSION PRICE OF S$0.04 FOR EACH CONVERSION SHARE AND 1,864,275,000 FREE DETACHABLE WARRANTS, EACH CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) EXERCISED SHARE AT AN EXERCISE PRICE OF S$0.048 FOR EACH EXERCISED SHARE, ON THE BASIS OF FIVE (5) WARRANTS FOR EVERY ONE (1) CONVERSION SHARE TO HENGFAI BUSINESS DEVELOPMENT PTE. LTD. ("HBD"), AN ASSOCIATE OF MR CHAN HENG FAI, A DIRECTOR AND CONTROLLING SHAREHOLDER OF THE COMPANY

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement to shareholders dated 28 December 2016, in relation to, inter alia, the extension and assignment of HBD Loan.

1. INTRODUCTION

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 is proposing to convert the HBD Loan (principal amount of US$10,500,000 as at the date of this announcement) into new shares in the capital of the Company ("**Shares**").

Pursuant thereto, the Company shall allot and issue 372,855,000 new Share ("**Conversion Shares**") at an issue price of S$0.04 (the "**Conversion Price**") for each Conversion Share to Hengfai Business Development Pte. Ltd. ("**HBD**").

The Company shall also issue five (5) free detachable warrants ("**Warrants**"), each carrying the right to subscribe for one (1) new Share ("**Exercised Share**") at an exercise price of S$0.048 (the "**Exercise Price**") for each Exercised Share, on the basis of five (5) Warrants for every one (1) Conversion Share to HBD.

The proposed conversion of the HBD Loan and the allotment and issuance of the new Conversion Shares, the new Warrants and the new Exercised Shares shall be collectively be referred to herein as the "**Proposed Conversion**".

The allotment and issuance of the Conversion Shares and the Warrants to HBD shall fully discharge the Company's obligations to repay the HBD Loan. Subject to completion of the Proposed Conversion, HBD agrees to waive all interest accrued and outstanding on the HBD Loan. Interest is payable on the HBD Loan at a rate of 6% per annum commencing from 1 January 2017. As at the date of this announcement the aggregate interest accrued and outstanding is US$44,877.

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

2. THE PROPOSED CONVERSION

2.1 Introduction

The Company wishes to announce that the Company had on 25 January 2017 entered into a loan conversion agreement with Mr Chan Heng Fai and HBD, pursuant to which HBD agreed to subscribe for, and the Company agreed to allot and issue to HBD, 372,855,000 Conversion Shares at the Conversion Price and five (5) Warrants for every Conversion Share allotted and issued to HBD to fully discharge the Company's obligations to repay the HBD Loan on the terms and subject to the conditions set out therein (the "**Loan Conversion Agreement**").

Each Warrant shall entitle the holder thereof to subscribe for one (1) Exercised Share at an Exercise Price of S$0.048 for each Exercised Share at any time during the Exercise Period (as defined herein) subject to, and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll (as defined herein).

The number of Conversion Shares was calculated based on the principal amount of the HBD Loan in Singapore Dollars converted from US Dollars at the prevailing exchange rate of US$1.00:S$1.4204 as at the date of the Loan Conversion 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. Rule 812(1)(a) and Rule 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 controlling shareholder of the Company, and Mr Chan Heng Fai is a director and sole shareholder of HBD. Mr Chan Heng Fai is an Executive Director and the Chief Executive Officer of the Company. Mr Chan Heng Fai is also a controlling shareholder of the Company. Accordingly, the Company will be seeking the approval from shareholders of the Company ("**Shareholders**") for the Proposed Conversion at a general meeting to be convened.

2.2 Authority to allot and issue the Conversion Shares, the Warrants and/or the Exercised Shares

The allotment and issuance of the Conversion Shares, the Warrants and/or the Exercised Shares will be made pursuant to a specific mandate and the Company will be seeking specific Shareholders' approval for the allotment and issuance of the Conversion Shares, the Warrants and/or the Exercised Shares in accordance with Rule 805(1) of the Catalist Rules and Section 161 of the Companies Act (Cap. 50) of Singapore.

Mr Chan Heng Fai, HBD and their associates shall abstain from voting on the resolution approving the Proposed Conversion, and the allotment and issuance of the Conversion Shares, the Warrants and/or the Exercised Shares in accordance with Rule 812(2) of the Catalist Rules.

The offers of the Conversion Shares, the Warrants and/or the Exercised Shares are made pursuant to the exemption under Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Conversion, and the allotment and issuance of the Conversion Shares, the Warrants and/or the Exercised Shares.

3. TERMS OF THE PROPOSED CONVERSION

3.1 Conditions precedent

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

(a) the Company having obtained Shareholders' approval for the allotment and issuance of the Conversion Shares, the Warrants and/or the Exercised Shares to HBD 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 Conversion as an interested person transaction;

(b) the listing and quotation notice ("**LQN**") for the Conversion Shares and/or the Exercised Shares on Catalist of the Singapore Exchange Securities Trading Limited (the "**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 completion date of the Proposed Conversion and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and HBD;

(c) an opinion from an independent financial adviser in relation to proposed conversion of the HBD Loan and the allotment and issuance of the new Conversion Shares, the new Warrants and the new Exercised Shares being obtained;

(d) the allotment and issuance of the Conversion Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Loan Conversion Agreement by any applicable legislative, executive or regulatory body or authority of Singapore;

(e) the issue of the Warrants not being prohibited by any statute, order, rule or regulation promulgated after the date of the Loan Conversion Agreement by any applicable legislative, executive or regulatory body or authority of Singapore;

(f) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Loan Conversion Agreement untrue or incorrect in any material respect as at the completion date of the Proposed Conversion, and as if such warranties in the Loan Conversion Agreement had been given again on the completion date of the Proposed Conversion; and

(g) the Company and HBD not being in breach of any of the undertakings and the covenants in the Loan Conversion Agreement as at the completion date of the Proposed Conversion.

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

3.2 Conversion Price

The Conversion Price of S$0.04 represents a discount of approximately 2.44% on the volume weighted average price of the Shares traded on the SGX-ST on 24 January 2017 which was the full market day on which Shares were traded immediately preceding the date of the Loan Conversion Agreement.

The Conversion Price was agreed upon following arm's length negotiations between the Company and HBD, taking into consideration, the market price of the Company's Shares.

3.3 Other salient terms of the Proposed Conversion

Subject to completion of the Proposed Conversion, HBD agrees to waive all interest accrued and outstanding on the HBD Loan. Interest is payable on the HBD Loan at a rate of 6% per annum commencing from 1 January 2017. As at the date of this announcement the aggregate interest accrued and outstanding is US$44,877.

Mr Chan Heng Fai and HBD undertake that during the Exercise Period (as defined herein):

(a) they shall not exercise their convertible securities in the Company (including Warrants obtained upon conversion) and they shall not acquire further Shares; and

(b) they shall procure that their associates shall not exercise their convertible securities in the Company and their associates shall not acquire further Shares,

which will increase the aggregate shareholding interest of Mr Chan Heng Fai, HBD and their associates in the Company to more than 90% of the total number of issued Shares of the Company.

In the event that the aggregate shareholding interest of Mr Chan Heng Fai, HBD and their associates in the Company increases to more than 90% of the total number of issued Shares of the Company, Mr Chan Heng Fai, HBD and their associates shall be required to make a compulsory acquisition in accordance with the Companies Act (Cap. 50) of Singapore.

3.4 Terms of the Warrants issue

The Company also proposes to issue five (5) free detachable Warrants for each Conversion Share allotted and issued to HBD. Each Warrant shall entitle the holder thereof to subscribe for one (1) Exercise Share at an Exercise Price of S$0.048 for each Exercised Share at any time during the Exercise Period (as defined herein). The exercise period during which the Warrants may be exercised shall commence on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth (5^{th}) anniversary of the date of issue of the Warrants, subject to, and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll (as defined herein) (the "**Exercise Period**"). The Warrants which have not been exercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

The Warrants are detachable from the Conversion Shares upon issue, and will be issued in registered form, subject to, and in accordance with the terms and conditions of the Warrants to be set out in an instrument of deed poll constituting the Warrants (the "**Deed Poll**"). The Warrants will NOT be listed and traded on the SGX-ST.

The Warrants shall be freely transferrable at any time upon its issuance.

The Exercise Price and/or the number of Warrants may, after their issue, be subject to adjustments under certain circumstances. The circumstances which will result in adjustments of the Exercise Price and/or the number of Warrants will be set out in the Deed Poll. These circumstances will include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issues and certain capital distributions. All adjustments made to the Exercise Price and/or the number of Warrants will be announced by the Company.

An announcement on the expiry of the Warrants will be made and a notice will be sent to all holders of the Warrants at least one (1) month before the expiry of the Exercise Period. After the issue of the Warrants, in the event of any material alteration to the terms and conditions of Warrants to the advantage of the holders of the Warrants, this will require Shareholders' approval for such alteration(s), except where the alterations are made pursuant to the terms and conditions of the Warrants to be set out in the Deed Poll.

The Exercised Shares when issued shall rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Exercised Shares. For this purpose, "record date" shall mean, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the securities accounts of Shareholders must be credited with Shares in order to participate in such dividends, rights, allotments or other distributions.

The proposed Exercise Price of S$0.048 for each Exercised Share represents a premium of approximately 17.07% on the volume weighted average price of the Shares traded on the SGX-ST on 24 January 2017 which was the full market day on which Shares were traded immediately preceding the date of the Loan Conversion Agreement.

4. DETAILS OF HBD

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

5. RATIONALE AND USE OF PROCEEDS

Further to the Internal Restructuring Exercise announced by the Company on 28 December 2016, after careful consideration and deliberation by the management of the Company, the Company is proposing to capitalise the HBD Loan to improve its balance sheet and reduce its gearing ratio for the purposes of obtaining bank financing in the USA. In addition, the issuance of Warrants to HBD will allow HBD to help finance the working capital needs of the Company.

Assuming all the Warrants are exercised, the estimated proceeds (net of the estimated expenses of approximately S$120,000 in connection with the Proposed Conversion) is approximately S$89,365,200 (the "**Net Proceeds**").

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

	Net Proceeds	
	Amount (S$)	**Percentage of proceeds (%)**
General working capital	89,365,200	100
Total	**89,365,200**	**100**

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 of the Company may in their absolute discretion deem fit, from time to time.

6. CONFIRMATION BY THE DIRECTORS

The directors of the Company are of the opinion that:

(a) after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and

(b) after taking into consideration the present bank facilities, the proposed conversion of the HBD Loan into Conversion Shares and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

7. FINANCIAL EFFECTS OF THE PROPOSED CONVERSION

The financial effects of the Proposed Conversion 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 Conversion. The table below sets out the financial effects of the Proposed Conversion 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 2015 ("**FY2015**");

(b) the subscription of 117,000,000 Shares by HBD pursuant to the placement exercise for which Shareholders' approval had been obtained on 29 April 2016 and which was completed on 12 May 2016 (the "**2016 May Placement**");

(c) issuance of 139,098,617 Shares pursuant to the rights cum warrants Issue, which was completed in October 2016 (the "**2016 Rights cum Warrants Issue**");

(d) issuance of 13,467,785 Shares pursuant to the exercise of warrants issued in connection with the 2016 Rights cum Warrants Issue (the "**2016 Warrants Exercise**");

(e) the Net Proceeds from the exercise of the Warrants is approximately S$89,365,200;

(f) the financial impact on the consolidated net tangible assets ("**NTA**") per Share is computed based on the assumption that the Proposed Conversion, the 2016 May Placement, the 2016 Rights cum Warrants Issue and the 2016 Warrants Exercise were completed on 31 December 2015;

(g) the financial impact on the consolidated earnings per share ("**EPS**") is computed based on the assumption that the Proposed Conversion, the 2016 May Placement, the 2016 Rights cum Warrants Issue and the 2016 Warrants Exercise were completed on 1 January 2015; and

(h) the financial impact on the gearing ratio is computed based on the assumption that the Proposed Conversion, the 2016 May Placement, the 2016 Rights cum Warrants Issue and the 2016 Warrants Exercise were completed on 31 December 2015.

	Before completion of the Proposed Conversion	After completion of the Proposed Conversion
Shareholders' fund (S$'000)	33,141	48,055
Total Borrowings (S$'000)	31,973	17,059
Number of Shares ('000)	569,862	942,717
Weighted average number of Shares ('000)	561,602	934,457
NTA (S$'000)	36,573	51,487
NTA per Share (Singapore cents)	6.42	5.46
EPS (Singapore cents)	(0.62)	(0.37)
Gearing (%)	49.10	26.20

	Before completion of the Proposed Conversion	After completion of the Proposed Conversion and exercise of all Warrants by HBD
Shareholders' fund (S$'000)	33,141	137,420
Total Borrowings (S$'000)	31,973	17,059
Number of Shares	569,862	2,806,992
Weighted average number of Shares ('000)	561,602	2,798,732
NTA (S$'000)	36,573	140,852
NTA per Share (Singapore cents)	6.42	5.02
EPS (Singapore cents)	(0.62)	(0.12)
Gearing (%)	49.10	11.04

8. SHAREHOLDING EFFECTS OF THE PROPOSED CONVERSION

Upon the completion of the Proposed Conversion, the Company's issued share capital will increase from 569,862,262 Shares to 942,717,252 Shares.

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

	Before completion of the Proposed Conversion[(1)]		After completion of the Proposed Conversion[(1)]	
	No. of Shares	%[(2)]	No. of Shares	%[(3)]
Mr Chan Heng Fai[(4)]	70,933,333	12.45	70,933,333	7.52
HBD	261,906,163	45.96	634,761,163	67.33
Public	237,022,756	41.59	237,022,756	25.14

Notes:

(1) Assuming no other holders of instruments convertible into, rights to subscribe for and options in respect of the Shares exercise and convert such instruments, rights and options.

(2) Based on the existing share capital of the Company of 569,862,252 Shares as at the date of this announcement.

(3) Based on the enlarged share capital of the Company of 942,717,252 Shares after the allotment and issuance of 372,855,000 Conversion Shares pursuant to the Proposed Conversion.

(4) Mr Chan Heng Fai is a 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 also held 1,061,333 employee share options.

	Before completion of the Proposed Conversion[(1)]		**After completion of the Proposed Conversion and exercise of all Warrants by HBD[(1)]**	
	No. of Shares	**%[(2)]**	**No. of Shares**	**%[(3)]**
Mr Chan Heng Fai[(4)]	70,933,333	12.45	70,933,333	2.53
HBD	261,906,163	45.96	2,499,036,163	89.03
Public	237,022,756	41.59	237,022,756	8.44

Notes:

(1) Assuming no other holders of instruments convertible into, rights to subscribe for and options in respect of the Shares exercise and convert such instruments, rights and options.

(2) Based on the existing share capital of the Company of 569,862,252 Shares as at the date of this announcement.

(3) Based on the enlarged share capital of the Company of 2,806,992,252 Shares after (a) the allotment and issuance of 372,855,000 Conversion Shares pursuant to the Proposed Conversion; and (b) on the assumption that HBD exercises all its Warrants into 1,864,275,000 Exercised Shares.

(4) Mr Chan Heng Fai is a 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 also held 1,061,333 employee share options.

	Before completion of the Proposed Conversion[(1)]		**After completion of the Proposed Conversion and exercise of all Warrants by HBD, and exercise of all warrants issued in connection with the 2016 Warrants Exercise by Mr Chan Heng Fai and HBD[(1)]**	
	No. of Shares	**%[(2)]**	**No. of Shares**	**%[(3)]**
Mr Chan Heng Fai[(4)]	70,933,333	12.45	105,849,998	3.15
HBD	261,906,163	45.96	3,013,930,978	89.79
Public	237,022,756	41.59	237,022,756	7.06

Notes:

(1) Assuming no other holders of instruments convertible into, rights to subscribe for and options in respect of the Shares exercise and convert such instruments, rights and options.

(2) Based on the existing share capital of the Company of 569,862,252 Shares as at the date of this announcement.

(3) Based on the enlarged share capital of the Company of 3,356,803,732 Shares after (a) the allotment and issuance of 372,855,000 Conversion Shares pursuant to the Proposed Conversion; (b) on the assumption that HBD exercises all its Warrants into 1,864,275,000 Exercised Shares; and (c) on the assumption that Mr Chan Heng Fai and HBD exercise all their warrants issued in connection with the 2016 Warrants Exercise into 549,811,480 Shares.

(4) Mr Chan Heng Fai is a 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 also held 1,061,333 employee share options.

	Before completion of the Proposed Conversion[1]		After completion of the Proposed Conversion and exercise of all Warrants by HBD, exercise of all warrants issued in connection with the 2016 Warrants Exercise by Mr Chan Heng Fai and HBD, and exercise of all share options under a Stock Option Agreement by Mr Chan Heng Fai[1]	
	No. of Shares	**%[2]**	**No. of Shares**	**%[3]**
Mr Chan Heng Fai[4]	70,933,333	12.45	105,849,998	3.15
HBD	261,906,163	45.96	3,039,872,078	90.56
Public	237,022,756	41.59	211,081,656	6.29

Notes:

(1) Assuming no other holders of instruments convertible into, rights to subscribe for and options in respect of the Shares exercise and convert such instruments, rights and options.

(2) Based on the existing share capital of the Company of 569,862,252 Shares as at the date of this announcement.

(3) Based on the enlarged share capital of the Company of 3,356,803,732 Shares after (a) the allotment and issuance of 372,855,000 Conversion Shares pursuant to the Proposed Conversion; (b) on the assumption that HBD exercises all its Warrants into 1,864,275,000 Exercised Shares; (c) on the assumption that Mr Chan Heng Fai and HBD exercise all their warrants issued in connection with the 2016 Warrants Exercise into 549,811,480 Shares; and (d) on the assumption that Mr Chan Heng Fai exercises the option to purchase 25,941,100 under a Stock Option Agreement entered into between Mr Chan Heng Fai and another Shareholder.

(4) Mr Chan Heng Fai is a 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 also held 1,061,333 employee share options.

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

9. THE PROPOSED CONVERSION AS AN INTERESTED PERSON TRANSACTION

HBD is a controlling shareholder of the Company, and is wholly-owned by Mr Chan Heng Fai, an Executive Director and the Chief Executive Officer of the Company. Accordingly, HBD is considered an "interested person" within the meaning of Chapter 9 of the Catalist Rules and the Proposed Conversion as an "interested person transaction" within the meaning of Chapter 9 of the Catalist Rules.

The Company is proposing to capitalise the HBD Loan to improve its balance sheet and reduce its gearing ratio for the purposes of obtaining bank financing in the USA. In addition, the issuance of Warrants to HBD will allow HBD to help finance the working capital needs of the Company.

Pursuant to the Proposed Conversion, the value of the interested person transaction to be entered into by HBD and the Company will amount to S$14,914,200, which represents approximately 62.5% respectively of the NTA of the Group for FY2015. Shareholders' approval is therefore required for the Proposed Conversion as an interested person transaction pursuant to Rule 906(1) of the Catalist Rules.

Pursuant to Rule 919 of the Catalist Rules, Mr Chan Heng Fai and HBD shall abstain, and shall procure that their associates to abstain, from voting on the Proposed Conversion. Mr Chan Heng Fai and HBD shall also refrain from accepting nominations as proxy or otherwise vote at the general meeting to be convened in respect of the Proposed Conversion unless Shareholders appointing them as proxies give specific instructions in the relevant proxy form on the manner in which they wish their votes to be casted for the Proposed Conversion.

Pursuant to 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 of the Company as to whether the Proposed Conversion as an interested person transaction is on normal commercial terms and whether the Proposed Conversion as an interested person transaction is 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 Conversion as an interested person transaction, which will be announced by the Company subsequently.

Save for the Proposed Conversion, the Group has not entered into any interested person transaction with HBD and/or any other party for the financial year ending 31 December 2017 which exceeds S$100,000.

10. INDEPENDENT FINANCIAL ADVISER

The Board shall appoint an independent financial adviser to advise the directors of the Company who are considered independent for the purposes of the Proposed Conversion in due course.

11. CIRCULAR TO SHAREHOLDERS

As the Proposed Conversion is conditional upon the Company having obtained Shareholders' approval, a circular to the Shareholders containing, *inter alia*, information on the Proposed Conversion will be despatched to the Shareholders in due course.

12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

13. 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 potential 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.

BY ORDER OF THE BOARD
SINGAPORE EDEVELOPMENT LIMITED

Chan Heng Fai
Executive Director and Chief Executive Officer

26 January 2017

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 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.

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