



## SINGAPORE eDEVELOPMENT LIMITED

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

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### RESPONSES TO QUERIES RAISED BY THE SGX-ST

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The Board of Directors (the “**Board**”) of Singapore eDevelopment Limited (the “**Company**” or “**SeD**”) refers to the announcements released by the Company on 2 July 2020 in relation to the following:

1. the appointment of Mr Lui Wai Leung Alan as Executive Director of the Company;
2. the appointment of Mr Lim Sheng Hon, Danny as Executive Director of the Company; and
3. the re-designation of Dr Lam Lee G. from a Non-Executive Director of Company to an Independent Non-Executive Director of the Company,

(collectively, the “**Announcements**”).

The Board has set out the Company’s responses to queries raised by the SGX-ST on the Announcements in **Annex A** of this announcement.

BY ORDER OF THE BOARD

Chan Heng Fai  
Executive Chairman and Chief Executive Officer

3 July 2020

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*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.*

## Annex A

### Preamble to the queries raised by SGX-ST on the Announcements:

*"We refer to SED's announcements on the changes to the board on 2 Jul 2020:*

- (i) Appointment of ED Lui Wai Leung Alan - he was CFO since Mar 2016 in SED and is now appointed to become CFO and ED and will continue to be responsible for overall management of Group's financial matters as well as management and operations of the Group*
- (ii) Appointment of ED Lim Sheng Hon, Danny, whom is son of Ms Ang Hay Kim, SVP of Corporate Services*
- (iii) Re-designation of NED to Independent NED Lam Lee G*

*"We note that the board now comprises the following directors:*

- (1) Chan Heng Fai – Executive Chairman and CEO*
- (2) Chan King Fai – Independent and NED*
- (3) Dr Lam Lee G – Independent NED and Vice Chairman of BOD [revised role]*
- (4) Tao Yeoh Chi – Independent Non-Exec Director*
- (5) Wong Shui Yeung – Independent Non-Exec Director*
- (6) Wong Tat Keung – Independent Non-Exec Director*
- (7) Lim Sheng Hon, Danny – ED [new]*
- (8) Lui Wai Leung Alan – ED and CFO [new]"*

### Query 1:

*"On the appointment of ED Lim Sheng Hon, Danny, please find our queries below:*

*We note that in Board's comments on this appointment, it was stated that the Board of Directors, having considered the qualifications and working experience of Lim Sheng Hon, Danny, is of the view that he has the requisite experience and capabilities to assume the responsibilities of an ED.*

*It is also noted that under the working experience field, it was stated that Lim Sheng Hon, Danny has been an administrative assistant for 2 months at OCBC, and completed 2 internships of 2 months each, as well as an SVP at Biz & Corporate Development of SED since Jun 2016 till present (4 years).*

*Please elaborate on his job scopes and responsibilities for his past appointments and provide basis for the Board's statement above on Lim Sheng Hon, Danny, having the requisite experience and capabilities to assume the responsibilities of an ED."*

### Company's Response to Query 1:

Please see below as requested -

#### Scope of work in Keppel DC Reit

- Assisted in managing global portfolio assets of REIT, Enterprise Risk Management activities (Asset Management)
- Supported department in reviewing potential Data Centre acquisitions for the REIT
- Assisted in conducting market research and competitor analysis
- Assisted in reviews and updates of the REITs corporate records relating to global portfolio of assets and activities
- Assisted and participated in investor engagement activities (e.g. conferences calls and investors meetings)
- Main organiser of the company's inaugural Corporate Social Responsibility (CSR) initiative since listing

**Scope of work in ShareInvestor Pte Ltd**

- Involved in planning and execution of Singapore's largest Investment Fair
- Engaged in extensive research and produce educational articles to display in stand-alone investment gallery
- Managed and facilitated communication between company, speakers, sponsors and exhibitors

**Scope of work in OCBC Property Services Pte Ltd**

- Researched and sourced for property project details, assist in drafting of property options for valuations
- Coordinated meetings and organization of in-house events
- Engaged in brainstorming sessions to devise more efficient processes during WIP meetings

During the four over years of experience in Singapore eDevelopment Ltd (the "Company"), and from the start of his career with the Company, Mr Lim Sheng Hon, Danny has been very active in working with our Chairman to assist in the Company's fund management division and in other front line work on all aspects of business development works. Mr Lim also does intensive research work on potential M&As or investments in companies. He is responsible for identifying new projects and presents proposal to the Board on appropriate terms of investment or joint venture.

Once a project is identified, Mr Lim will lead the team to spearhead into the target company. He is actively involved in the negotiations with potential joint venture partners and thereafter to formulate an appropriate structure and terms of joint venture or investment. He takes care of the marketing materials for presentation to potential partners, fund management companies, assisting and conducting road shows to potential investors, etc.

Mr Lim's latest main achievement was in identifying a company listed in the NYSE to serve as the Company's platform to tap on US market. The Company started with an initial investment in Document Security Systems, Inc.. Seeing the potential in this acquisition, Mr Lim was the main support in active negotiations with the management in DSS and successfully negotiated a proposed share swap structure with DSS. This transaction was announced and approved by shareholders last month. Mr Lim has contributed tremendously in this major transaction.

In the course of his tenure in the Company, the Directors could see his potential and recognized his capabilities. They feel that he will be a good addition to the Board with fresh perspectives and able to share with the Board the strategies on potential new opportunities.

In the course of his work, Mr Lim travels extensively to those countries where the Company has businesses in such as to the US, Korea, etc.. Mr Lim Sheng Hon, Danny graduated from Nanyang Business School with a Bachelor of Business with Honours in Banking and Finance. With his relevant academic background and having been exposed to numerous projects that the Company is involved in, he is one of our key management team and the Company feels that proper recognition should be accorded to him.

The rationale behind the appointment of Mr Lim as an Executive Director is to assist not only in business development work but also in the everyday running of the business due to the increasing workload as the Company expands globally. Mr Lim also has oversight on corporate work as he has been taking charge of various announcements released by the Company. His appointment will also serve as a long term commitment for him and the Company hopes to retain his talent in our management team for the long run. In view of the above-mentioned achievements and work experience he has obtained throughout the years, the board of directors is supportive of his appointment as a director. They are also of the view that he can contribute to the Board in terms of investment ideas and strategies.

**Query 2:**

*"On the re-designation of NED to Independent NED Dr Lam Lee G, please find our queries below:*

*When Dr Lam Lee G was first appointed to the Board of SED on 28 Nov 2017, was he an Independent Non-Executive Vice Chairman? We refer to the announcement reference SG1711280THRFFZ wherein title of announcement is "Change – Announcement of appointment: Announcement of Appoint of Independent Non-Executive Vice Chairman"*

*However, annual reports of FY2017, FY2018 and FY2019 only stated him as an 'Non-Executive Vice Chairman'.*

(i) *Please explain the discrepancy.*

*Further, the announcement on 2 Jul 2020 now states that he is to be re-designated from Non-Executive Director to Independent Non-Executive Director of the Company.*

(ii) *Please explain why, and what are the considerations and basis for redesignating Dr Lam as an Independent director now? Why was he not an ID before?"*

### **Company's Response to Query 2 (Parts i and ii):**

Dr Lam Lee G. ("**Dr Lam**") was appointed as the Non-Executive Vice Chairman and a Non-Executive Director of the Company on 28 November 2017. The announcement made by the Company on 28 November 2017 disclosed Dr Lam's Job Title as "*Non-Executive Vice Chairman*". The title of the announcement should therefore have been "*Change – Announcement of Appointment: Announcement of Appointment of ~~Independent~~ Non-Executive Vice Chairman*".

Shareholders of the Company are advised to refer to the full text of the announcement made by the Company on 28 November 2017 for further details.

Notwithstanding the title of the announcement back in 28 November 2017, Dr Lam has all along been a Non-Executive Vice Chairman and Non-Executive Director.

In addition, shareholders of the Company should note that disclosures made by the Company subsequent to the announcement made by the Company on 28 November 2017 have stated that Dr Lam was the Non-Executive Vice Chairman and a Non-Executive Director of the Company. Examples of such disclosures include:

- (a) Pages 7, 18 and 40 of the Company's annual report for the financial year ended 31 December 2017
- (b) Pages 7, 18 and 39 of the Company's annual report for the financial year ended 31 December 2018
- (c) Pages 7, 14, 22, 42 and 123 of the Company's annual report for the financial year ended 31 December 2019
- (d) Page 4 of the Company's circular to shareholders dated 14 May 2020 in relation to the proposed amendments to the Singapore eDevelopment Limited Performance Share Plan and the proposed grant of share awards to Mr Chan Heng Fai under the Singapore eDevelopment Limited Performance Share Plan
- (e) Page 5 of the Company's circular to shareholders dated 4 June 2020 in relation to the proposed US\$50 million share swap

Back in November 2017, it should also be noted that it was never the Company's intention to appoint Dr Lam as an Independent Non-Executive Vice Chairman. The rationale was because there was a possibility then that Dr Lam was able to introduce partners or contacts which will be beneficial to the Company which might compromise his independency. However, since his appointment, there has not been any business dealings between the Company and Dr Lam's related companies and associates nor has he participated in the management of the Company.

The Company also confirms that:

1. Save for Dr Lam's appointment as Non-Executive Director, he has not been employed by the Company, its subsidiaries or any related corporations of the Company in the current or any of the past three financial years.

2. Dr Lam does not have any immediate family member who is employed or has been employed by the Company, its subsidiaries or any related corporation of the Company and whose remuneration is or was determined by the remunerations committees of the Company in the current or any of the past three financial years.

This is also in line with our guidelines for corporate governance, i.e. to maintain a majority of independent directors.

**Query 3:**

*“On the composition of the board:*

*Please elaborate and explain the efficacy of the board and the need for 8 members in the board.”*

**Company’s Response to Query 3:**

It would be noted that the Company currently has only one Executive Director and in view of our fast expansion not only in the various fields, but also on a global basis, the workload lies very heavily only on a single Executive Director. It is with this in mind that the Company has decided to appoint two new executive directors, both of whom are experienced in their own field, to assist in the everyday management of the Company’s foray into the various businesses.

In addition, it is important to have board members who are experienced in their respective fields and can add value to the Company. The Company believes they will add value which the Company treasures. Their appointments will also serve as a long-term commitment for them and the Company hopes to retain their talents in the management team for the long run. In addition, as the CEO and Chairman is the same person, under the Code of Corporate Governance 2018, the Company’s board of directors has to make up of at least a majority of independent directors. The current composition of the Board helps to safeguard the Company from group think and to also promote diversity.

**Query 4:**

*“Please provide Sponsor’s view on the same.”*

**Sponsor’s Response to Query 4:**

The Sponsors, Hong Leong Finance Limited, noted the Company’s rationale for the appointment of directors and has no objections to the board composition. The current board members possess expertise and knowledge spanning from finance to legal which could value add to the Company. For the appointment of Mr Lim, his achievements and experience as disclosed in the response to query 1, together with the various exchanges the Sponsor had with Mr. Lim, has shown that he is very familiar with the company’s operations and possess the capabilities to take on the role of a director. A diverse Board will enhance the decision-making process by utilizing the variety in skills, industry and business experiences. As also stated by the Company, with the addition of two new executive directors to the Company, there is a need for five independent directors to form a majority of independent directors as the CEO and Chairman is the same person. The Sponsor also concurs that Dr Lam should be re-designated to Independent Non-Executive Vice Chairman as, there has not been any business dealings between the Company and his related companies and associates nor has he participated in the management of the Company since his appointment in 2017. These five independent directors function as a watchdog on behalf of the shareholders to provide corporate governance advice. There is also a Lead Independent Director, Mr Tao Yeoh Chi who is able to provide leadership in situations where the Chairman is conflicted and not independent. He is also available to shareholders if they have any concerns for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.