



SINGAPORE eDEVELOPMENT LIMITED

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

PROPOSED ISSUE OF NON-CONVERTIBLE, NON-TRANSFERABLE PROFIT-PARTICIPATION BOND OF PRINCIPAL AMOUNT OF US\$2 MILLION

The Board of Directors (the “**Board**”) of Singapore eDevelopment Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that it has entered into a subscription agreement on 20 May 2015 (“**Subscription Agreement**”) with Ms Camielle Fan (the “**Subscriber**”). The Subscriber has agreed to subscribe for a profit-participating bond (the “**Bond**”) of face value US\$2 million for the issue price of US\$2 million (“**Proceeds**”). Pursuant to the Subscription Agreement, the Bond has been issued to the Subscriber on 20 May 2015. The issue of the Bond is to raise funds for the Group’s property development projects in the USA.

The Subscriber is a Hong Kong resident and a Senior Executive at Fanns International Limited, a Hong Kong company that owns and operates global real estate and auction businesses.

The Bond bears an annual interest rate of 8% on the principal amount of the Bond. It is unsecured and the maturity date is the second anniversary of the issue date. Parties may mutually agree to extend the maturity date for an additional period of 6 months. The Bond carries no voting rights, is non-transferable and shall not be convertible into Shares of the Company.

The Bond confers a right for the Bondholder, during the tenure of the Bond, to receive from the Company in aggregate 30% of the total cash received by the Company (net of taxes, including but not limited to withholding tax, if any) from the final distribution of Net Profit (as defined below) derived from a Project and attributable directly to the Group’s equity in a Project (the “**Profit Participation Sum**”). The Company shall pay each Profit Participation Sum to the Bondholder no later than 3 months from the date of completion of the relevant Project (the “**Profit Participation Sum Payment Deadline**”) based on the Group’s final management accounts. The Profit Participation Sum shall be calculated using the following formula:

$$30\% \quad \times \quad \frac{\text{Bondholder's Funds}}{\text{Total amount invested by the Group in the Project}} \quad \times \quad \begin{array}{l} \text{Total cash received by the} \\ \text{Company (net of taxes, including} \\ \text{but not limited to withholding tax, if} \\ \text{any) from the final distribution of} \\ \text{Net Profit derived from a Project} \\ \text{and attributable to the Group's} \\ \text{equity in the Project} \end{array}$$

For the purposes of the formula above:

“**Bondholder’s Funds**” means the amount of the principal amount from the Bond utilised by the Group to participate in a Project.

“**Net Profit**” means the net profits after tax derived from a Project as reported by the direct owner of the Project based on its financial statements prepared by its management in accordance with applicable accounting standard.

“**Projects**” means the property development projects in the USA participated in by the Group which are commenced and completed on or between the issue date and the maturity date of the Bond. For

the avoidance of doubt, "Projects" do not include any property development project which were commenced before the Issue Date or which were completed after the Maturity Date.

Upon maturity, the Company will redeem the Bond at 100% of its principal amount. The Company may, prior to maturity and at its sole discretion, redeem the Bond in whole by giving not less than 60 days' written notice. In addition, at any time after the first anniversary of the issue date and the maturity date, the Bondholder may, at her sole discretion, give written notice of not less than 6 months to the Company to require the Company to redeem the Bond in whole.

The payment by the Company to the Bondholder upon the redemption of the Bond shall be equal to 100% of the principal amount of the Bond, with all interest accrued and any outstanding valid payments of Profit Participation Sums. Any Profit Participation Sum to which the Bondholder is entitled to shall be paid on the date of redemption or on or before the Profit Participation Sum Payment Deadline, whichever is later.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company) in the issue of the Bond nor is related to the Subscriber.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director and Chief Executive Officer

22 May 2015

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 Mrs Joan Ling-Lau, SVP, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, telephone: +65 6415-9886.