

Singapore eDevelopment Limited

(Co. Reg. 200916763W)

9 Temasek Boulevard #09-02A,
Suntec Tower Two, Singapore 038989

Singapore eDevelopment Eyes Property Development & Construction and IT as Twin Engines of Growth

Six months ended 30 June (S\$'000)	HY2014	HY2013	Change (%)
Revenue	13,773	41,638	(67)
Gross profit / (Loss)	(1,741)	3,346	N.M. ⁽³⁾
Loss after tax excluding disposed business	(1,878)	(452)	316
Loss After Tax	(5,713)	(68)	N.M.
Loss per share (cents) ⁽¹⁾	(0.52)	(0.06)	N.M.
Net liability value per share (cents) ⁽²⁾	(0.32)	(6.94)	N.M.

(1) Calculated based on weighted average share capital base of 1,089,000,000 shares in HY2014 and 107,000,000 shares in HY2013. The basic and diluted loss per ordinary share are the same as (i) the outstanding convertibles as at 30 June 2014 were anti-dilutive; and (ii) there were no potentially dilutive shares in issue as at 30 June 2013.

(2) NAV calculated as at 30 June 2014 and 31 December 2013 is based on a share capital base of 1,231,191,000 and 171,220,000 shares, respectively.

(3) N.M. – Not meaningful

SINGAPORE, 7 August 2014 – Singapore eDevelopment Limited (“SED”, or together with its subsidiaries, the “Group”) (formerly known as CCM Group Limited) said today that property development and construction, and Information Technology (“IT”)-related businesses will be its two engines of recovery and growth as it charts a new corporate strategy in line with its refreshed corporate identity.

The SGX Catalist-listed SED outlined its strategy as it released its results for the half year ended 30 June 2014 (“**HY2014**”), its first financial reporting since disposing its previously wholly-owned construction subsidiary, CCM Industrial Pte Ltd (“CIPL”), in May 2014.

SED had recorded significant losses in the financial year ended 31 December 2013 (“FY2013”) largely from CIPL’s weak performance, impacted by higher operational costs such as sub-contractor fees, employee benefits and material costs that resulted in delay and cost over-runs for contracts scheduled for completion in late FY2013 and early FY2014.

Prior to the disposal of the legacy construction business – for which SED recorded a net gain on disposal of S\$0.61 million in HY2014 – CIPL incurred a further net operating loss after tax of S\$12.5 million in HY2014, resulting in SED’s HY2014 net loss of S\$5.7 million compared to S\$68,000 in HY2013.

Administrative costs in HY2014 rose 8.2% to S\$3.5 million from S\$3.2 million last year mainly due to expenses related to setting up administrative functions for SED’s overseas property development projects being offset by lower expenses without CIPL.

Without the CIPL-related losses, the Group would have reported a loss of S\$1.9 million instead of S\$5.7 million. Excluding non-recurring expenses amounting to S\$0.7 million –

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related to restructuring, issuance cost of exchangeable notes and disputes of main building contracts – the Group's HY2014 loss would have been S\$1.2 million

The Group, which has taken measures to settle actual and potential liabilities, currently has S\$12.3 million of outstanding corporate indemnities excluding the settlement of the Orion-One contract worth S\$3.35 million that the Company has up to end-February 2015 to settle in full, and S\$1.0 million of corporate indemnities that had expired.

The Group recorded loss per share of 0.52 Singapore cent in HY2014 compared to 0.06 Singapore cent in HY2013. The Group's net liability value per share improved to negative 0.32 Singapore cent as at 30 June 2014 from negative 6.94 Singapore cents as at 31 December 2013.

On 5 August 2014, SED obtained shareholders' approval at an extraordinary general meeting ("EGM") to change its name and to raise between a minimum of S\$3.3 million and a maximum of S\$129.1 million in net proceeds via the issue of twelve-for-one rights issue at 0.3 Singapore cent each (and one free bonus share for every rights share subscribed for).

The funds raised will be used to settle financial liabilities and to invest in its twin engines of growth – construction and property development, and IT-related businesses including software and hardware development, mobile communications and e-commerce. Shareholders had also approved diversification into these new businesses.

Commenting on the results, SED's CEO and Executive Director, Mr. Chan Heng Fai, said: "The HY2014 performance must be seen against the backdrop of our legacy business which we have disposed of. Even as we seek to settle remaining liabilities through legal means, negotiations and from funds to be raised, we are focused on charting a new era of recovery and growth powered by the two business engines."

SED currently owns 60%-stake in a land development and sub-division project in Houston, Texas, which has received written interests from local developers for more than half of the sub-divided lots. The acquisition of the land parcels was funded by cash and debt of US\$4.3 million and US\$5.0 million, respectively, and is expected to contribute positively to the Group's top line from FY2015 to FY2018.

The Group has also bought three waterfront residential sites in Mandurah City, 70 kilometres away from Perth, Australia, to develop seven units of bungalows and good class townhouses for sale. Marketing and construction of these properties will commence in the second-half of FY2014 and is expected to complete in FY2016.

In collaboration with Hauslab Group, SED's new construction arm, Singapore Construction Pte Ltd, has successfully secured S\$7.7 million worth of construction contracts and built a long pipeline of potential residential and commercial construction projects in Singapore.

On the restructuring efforts, Mr. Chan said, "In the short-term, we will leverage on the management's experience and expertise in investments to enhance returns while seeking fresh and attractive opportunities for SED's long term growth leveraging on the recovery in the

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U.S. and Australian real estate market and a global shift towards mobile internet, cloud computing and social media,”

“We are already making progress in our new strategy – both property development projects are expected to start contributing positively to the Group within the next 2 years, and we are currently exploring various potential investment opportunities in the IT sector that we will announce as and when there are material developments. Hence, we are reasonably confident that SED is poised for a turnaround with a view to enhance shareholder value,” he added.

End of Release

Issued on behalf of the Company by WeR1 Consultants Pte Ltd:

Media & Investor Contact Information

WeR1 Consultants Pte Ltd
38A Circular Road Singapore 049394
Tel: (65) 6737 4844, Fax: (65) 6737 4944
Amelia Lee, amelia@wer1.net
Lai Kwok Kin, laikkin@wer1.net

About Singapore eDevelopment Limited

Incorporated on 9 September 2009 and listed on the Singapore Exchange Catalist on July 2010, Singapore eDevelopment Limited (“SED” or together with its subsidiaries, the “Group”), formerly known as CCM Group Limited, is pursuing twin engines of growth in (i) construction, property development and investments primarily in the United States and Western Australia; and (ii) Information Technology. Concurrently, the Group will leverage on its management’s extensive experience, network and expertise in high-growth quoted and unquoted securities to enhance shareholder value.

For more information, please visit: www.SED.com.sg

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The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.