



## SINGAPORE eDEVELOPMENT LIMITED

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

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**PROPOSED ISSUE OF AN AGGREGATE OF UP TO 3,996,654,250 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY, COMPRISING THE RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 1,998,327,125 RIGHTS SHARES AT AN ISSUE PRICE OF S\$0.03 FOR EACH RIGHTS SHARE, ON THE BASIS OF FIVE (5) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED, AND THE ISSUE OF UP TO 1,998,327,125 FREE DETACHABLE WARRANTS CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE AT AN EXERCISE PRICE OF S\$0.03 FOR EACH EXERCISED SHARE, ON THE BASIS OF ONE (1) WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED FOR**

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### 1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Singapore eDevelopment Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake an issue of an aggregate of up to **3,996,654,250** new ordinary shares in the capital of the Company (“**Shares**”), comprising:

- (a) the renounceable non-underwritten rights issue of up to **1,998,327,125** new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.03 (the “**Issue Price**”) for each Rights Share, on the basis of five (5) Rights Shares for every one (1) Share held by the shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlements under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded (the “**Rights Issue**”); and
- (b) the issue of up to **1, 998,327,125** free detachable warrants (the “**2015 Warrants**”) carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (“**Exercised Share**”) at an exercise price of S\$0.03 (the “**Exercise Price**”) for each Exercised Share, on the basis of one (1) 2015 Warrant for every one (1) Rights Share subscribed for under the Rights Issue (the “**Warrants Issue**”).

The proposed issue of the Rights Shares and the 2015 Warrants as described above shall be referred to as the “**Proposed Rights cum Warrants Issue**”.

The above mentioned maximum issue size of the Proposed Rights cum Warrants Issue (“**Maximum Issue Size**”) has been calculated based on the following assumptions, that prior to Books Closure Date:

- (i) 7,115,833 piggyback warrants and 33,626,871 bonus warrants (issued pursuant to the warrants issue announced by the Company on 6 August 2013) outstanding as at the date of this announcement are exercised and 33,626,871 piggyback warrants which are issued pursuant to the exercise of the aforesaid 33,626,871 bonus warrants are exercised;

- (ii) Mr Chan Heng Fai (the Executive Director, Chief Executive Officer and a controlling shareholder of the Company) and Hengfai Business Development Pte. Ltd. (a Singapore-incorporated company in which Mr Chan Heng Fai is the sole shareholder and a director) do not exercise any of their interest in 2,217,391 piggyback warrants and 25,904,781 bonus warrants;
- (iii) all the outstanding share options issued by the Company have not been exercised, under the terms of their issue, into Shares; and
- (iv) of the S\$5,000,000 in aggregate principal amount of exchangeable notes issued by the Company's wholly-owned subsidiary, Singapore Construction & Development Pte. Ltd. in 2014 (the "**Exchangeable Notes**"), S\$1,500,000 in aggregate principal amount of Exchangeable Notes are exchanged into Shares. It is assumed that the remaining S\$3,500,000 in aggregate principal amount of Exchangeable Notes which are held by Hengfai Business Development Pte. Ltd. will not be exchanged into Shares.

The Proposed Rights cum Warrants Issue is subject to, *inter alia*, the approval of the Shareholders, which will be sought at an extraordinary general meeting of the Company (the "**EGM**") to be convened. A circular to Shareholders containing further information on the Proposed Rights cum Warrants Issue, together with the notice for the EGM (the "**Circular**"), will be despatched to Shareholders in due course.

## 2. DETAILS OF THE PROPOSED RIGHTS CUM WARRANTS ISSUE

### (a) The Rights Issue

The Company is proposing to undertake the Rights Issue, at the Issue Price for each Rights Share with 2015 Warrants on a renounceable basis to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (the "**CDP**"), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least three (3) market days prior to the Books Closure Date, provided to the Company or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Entitled Shareholders**"). Please refer to Paragraph 4 below entitled "Eligibility to Participate in the Proposed Rights cum Warrants Issue" for further details.

Fractional entitlements to any Rights Shares with 2015 Warrants will be disregarded and will, together with the provisional allotments of Rights Shares with 2015 Warrants which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for the Rights Shares with 2015 Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

The Rights Shares are payable in full upon acceptance and/or application, and when allotted and issued, will 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 Rights Shares. For this purpose, "record date" means, 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 distributions.

Entitled Shareholders will be at liberty to accept, decline, renounce or trade (during the provisional allotment trading period prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) their provisional allotments of Rights Shares with 2015 Warrants and will be eligible to apply for additional Rights Shares

with 2015 Warrants in excess of their provisional allotments (the “**Excess Rights Shares with 2015 Warrants**”).

In the allotment of Excess Rights Shares with 2015 Warrants, preference will be given to the rounding of odd lots. Directors and substantial Shareholders who have control or influence over the Company in connection with its day-to-day affairs or the terms of the Proposed Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares with 2015 Warrants. The Company will also not make any allotments and issuance of any Excess Right Shares with 2015 Warrants that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

(b) The Warrants Issue

The Company also proposes to issue one (1) 2015 Warrant for each Rights Share validly subscribed for, for no consideration receivable by the Company and at the Exercise Price during the exercise period, which shall be from and including the date of issue of the 2015 Warrants up to 5.00 p.m. on the date immediately preceding the first anniversary of the date of issue of the 2015 Warrants. The 2015 Warrants which have not been exercised after the date of expiry shall lapse and cease to be valid for any purpose.

The 2015 Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form, subject to the terms and conditions to be set forth in an instrument of deed poll constituting the 2015 Warrants (the “**Deed Poll**”). The 2015 Warrants will be listed and traded separately on Catalist under the book-entry (scripless) settlement system, upon the listing and quotation of the 2015 Warrants on Catalist, subject to, amongst others, there being an adequate spread of holdings of the 2015 Warrants to provide for an orderly market in the 2015 Warrants.

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

An announcement on the expiry of the 2015 Warrants will be made and a notice will be sent to all holders of the 2015 Warrants at least one (1) month before the expiry of the exercise period of the 2015 Warrants. After the issue of the 2015 Warrants, in the event of any material alteration to the terms of 2015 Warrants to the advantage of the holders of the 2015 Warrants, this shall require the approval by Shareholders for such alteration(s), except where the alterations are made pursuant to the terms of the issue of the 2015 Warrants.

The Exercised Shares will 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 exercise of the 2015 Warrants. For this purpose, “record date” means, 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 distributions.

For illustration purposes, for every existing 1,000 Shares held by a Shareholder who is an Entitled Shareholder, he will be at liberty to accept, decline, renounce or trade his provisional allotment of 5,000 Rights Shares (on the basis of five (5) Rights Shares for every one (1) Share). On the assumption that the Shareholder accepts his provisional allotment of 5,000 Rights Shares and pays for the 5,000 Rights Shares,

he will receive 5,000 2015 Warrants, which may be converted into Exercised Shares of the Company at the Exercise Price.

The Issue Price of S\$0.03 for each Rights Share represents a discount of approximately 63.9% to the last transacted price of S\$0.083 per Share on the Catalist of the SGX-ST on 24 July 2015 (being the full market day on which the Proposed Rights cum Warrants Issue is announced) (the “**Last Transacted Price**”). The proposed Exercise Price of S\$0.03 for each Exercised Share represents a discount of approximately 63.9% to the Last Transacted Price. The Company believes that the Issue Price of S\$0.03 for each Rights Share and the Exercise Price of S\$0.03 for each Exercised Share are attractive.

The terms and conditions of the Proposed Rights cum Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights cum Warrants Issue will be contained in the Circular and the offer information statement (including the accompanying application forms) to be despatched by the Company to the Shareholders in due course (the “**Offer Information Statement**”).

### **3. PURPOSE OF AND RATIONALE FOR THE PROPOSED RIGHTS CUM WARRANTS ISSUE AND USE OF PROCEEDS**

Based on the Issue Price, and assuming the Maximum Issue Size, the Company will issue **1,873,327,125** Rights Shares and **1,873,327,125** 2015 Warrants. In the event that all the 2015 Warrants are exercised, the Proposed Rights cum Warrants Issue will raise approximately S\$112.4 million and the net proceeds of the Proposed Rights cum Warrants Issue (the “**Net Proceeds**”), after deducting estimated expenses of approximately S\$400,000 will amount to approximately S\$112.0 million.

In the opinion of the Directors, no minimum amount is required to be raised from the Proposed Rights cum Warrants Issue.

As no minimum amount is required to be raised from the Proposed Right cum Warrants Issue and after taking into consideration the cost of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors decided that the Proposed Rights cum Warrants Issue are not to be underwritten by a financial institution.

#### **Purpose of and Rationale for the Rights Issue**

A substantial amount of the proceeds from the rights issue completed by the Company in 2014 (the “**2014 Rights Issue Proceeds**”) has already been deployed principally in Information Technology (“IT”) Business and the Property Development Business of the Group. The Property Development Business continues to develop property projects, namely the Black Oak Project, Mandurah Project and tenanted single-family homes, and accounts them as properties under development. In addition, a portion has been used for the discharge of obligations arising from the Group’s legacy Construction Business. The management will continue to deploy the unutilised balance of the 2014 Rights Issue Proceeds for both the IT-related Business and Property Development Business.

We have also raised money from the placement issue in June 2015. The proceeds have not been deployed and are to be used for general working capital.

The proposed Rights Issue will raise additional funds to strengthen the capital base of the Company and better position the Group to take advantage of opportunities in Property Development and IT businesses; and the proposed expansion of Investment Businesses, which was announced by the Company on 22 July 2015.

## Use of Proceeds

The Net Proceeds from the Proposed Rights cum Warrants Issue will be used towards the Group's Property Development Business, Information Technology Business, Investment Business, the discharge of obligations under the Group's legacy Construction Business and general working capital in the following proportion:

| Use of Proceeds   | Percentage of Net Proceeds (%) |
|---|--------------------------------|
| Property Development Business   | 10%-40%                        |
| Information Technology Business   | 10%-40%                        |
| Investment Business   | 10%-40%                        |
| Discharge of obligations under the Group's legacy Construction Business | 5%-10%                         |
| General working capital   | 10%-15%                        |
| Total   | 100.0%                         |

Pending the deployment of the Net Proceeds for the purposes mentioned above, such proceeds may be deposited with banks or financial institutions, invested in short-term money markets or marketable securities or used for any other purpose on a short-term basis as the Directors may deem fit.

The Directors are of the opinion that, after taking into consideration present bank facilities, the Net Proceeds and other internal resources, the working capital available to the Group is sufficient to meet its present requirements.

The Company will make periodic announcements on the utilisation of the proceeds of the Proposed Rights cum Warrants Issue, as and when the funds from the Proposed Rights cum Warrants Issue are materially disbursed or utilised. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report.

## 4. ELIGIBILITY TO PARTICIPATE IN THE PROPOSED RIGHTS CUM WARRANTS ISSUE

The Company proposes to provisionally allot the Rights Shares with 2015 Warrants to Entitled Shareholders (comprising Entitled Depositors, Entitled Scripholders and excluding Foreign Shareholders, as defined below) under the Proposed Rights cum Warrants Issue.

### (A) Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date (the "**Entitled Depositors**") will be provisionally allotted the Rights Shares with 2015 Warrants on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at the Books Closure Date.

To be "Entitled Depositors", depositors must have registered addresses in Singapore with CDP as at the Books Closure Date, or if they have registered addresses outside Singapore, they must provide CDP at 9 North Buona Vista Drive #01-19/20 The Metropolis, Singapore 138588 with registered addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with 2015 Warrants entitlements.

(B) **Entitled Scripholders**

Shareholders whose Shares are not registered in the name of CDP but whose names appear in the Register of Members of the Company with registered addresses in Singapore as at the Books Closure Date (the "**Entitled Scripholders**") will be provisionally allotted Rights Shares with 2015 Warrants on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at the Books Closure Date.

To be "Entitled Scripholders", Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date, or if they have registered addresses outside Singapore, must provide the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 with registered addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares with 2015 Warrants entitlements.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. on the Books Closure Date by the Share Registrar, will be registered to determine the transferee's provisional allotments of Rights Shares with 2015 Warrants entitlements.

(C) **Foreign Shareholders**

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares with 2015 Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, by 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, with registered addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**") and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares with 2015 Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares with 2015 Warrants which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares with 2015 Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained for the sole benefit of the Company or dealt with as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Sponsor, the Share Registrar or CDP in connection therewith.

Where such provisional allotments of Rights Shares with 2015 Warrants are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Sponsor, the Share Registrar or CDP in respect of such sales or proceeds thereof, of such provisional allotments of Rights Shares with 2015 Warrants represented by such provisional allotments.

If such provisional allotments of Rights Shares with 2015 Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with 2015 Warrants, the Rights Shares with 2015 Warrants represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Sponsor, the Share Registrar or CDP in connection therewith.

## 5. APPLICATION TO THE SIC

The Company will be making an application to the Securities Industry Council (the “**SIC**”) for a waiver of any obligation of Mr Chan Heng Fai and Hengfai Business Development Pte. Ltd. to make a mandatory general offer for the Company under Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”) as a result of a subscription by them of Rights Shares with 2015 Warrants under the Proposed Rights cum Warrants Issue (the “**Proposed Whitewash Waiver**”). The Company will announce the results of the application for the Proposed Whitewash Waiver when it receives this. Should the Proposed Whitewash Waiver be obtained, approval will be sought from the Shareholders to waive their rights to receive a general offer from Mr Chan Heng Fai and Hengfai Business Development Pte. Ltd. in the event such an obligation arises under Rule 14 of the Code.

For the avoidance of doubt, the application to the SIC for the Proposed Whitewash Waiver does not amount to an undertaking or an intention by Mr Chan Heng Fai and Hengfai Business Development Pte. Ltd. to subscribe for Rights Shares with 2015 Warrants under the Proposed Rights cum Warrants Issue.

## 6. APPROVALS

The Proposed Rights cum Warrants Issue is subject to, *inter alia*, the following:

- (a) Shareholders’ approval for the Proposed Rights cum Warrants Issue being obtained at the EGM;
- (b) the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares, the 2015 Warrants and the Exercised Shares on the Catalist of the SGX-ST having been obtained (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Shares with 2015 Warrants under the Proposed Rights cum Warrants Issue), and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (c) the lodgment of the Offer Information Statement together with all other accompanying documents (if applicable) pursuant to the Securities and Futures Act (Cap. 289) of Singapore with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore.

The Circular, containing further information on the Proposed Rights cum Warrants Issue, will be despatched to Entitled Shareholders in due course.

Hong Leong Finance Limited, the sponsor of the Company (the “**Sponsor**”), will be making an application to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares, the 2015 Warrants and the Exercised Shares on the SGX-ST.

The Offer Information Statement will also be lodged with the SGX-ST and despatched to Entitled Shareholders in due course after, *inter alia*, obtaining the approval in-principle of the SGX-ST.

Appropriate announcements in relation to the above despatch, application and lodgement will be made in due course.

## **7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in this announcement, none of the Directors and substantial Shareholders has any interest, direct or indirect, in the Proposed Rights cum Warrants Issue (other than through their respective shareholdings in the Company).

## **8. RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes true and fair disclosure of all material facts about the Proposed Rights cum Warrants Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD  
SINGAPORE EDEVELOPMENT LIMITED

Chan Heng Fai  
Executive Director and Chief Executive Officer

27 July 2015

*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 the SGX-ST and the SGX-ST 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 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.*