



SINGAPORE eDEVELOPMENT LIMITED

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

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- (A) PROPOSED SHARE CONSOLIDATION;
- (B) PROPOSED ADOPTION OF SINGAPORE EDEVELOPMENT LIMITED PERFORMANCE SHARE PLAN; AND
- (C) PROPOSED LISTING ON SGX-ST OF SECURED PROFIT-SHARING PERPETUAL BONDS OF PRINCIPAL AMOUNT OF UP TO S\$300,000,000.
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A. PROPOSED CONSOLIDATION OF EVERY ONE HUNDRED (100) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. Introduction

The Board of Directors ("**Board**") of Singapore eDevelopment Limited (the "**Company**") wishes to announce that the Company proposes to seek the approval of shareholders of the Company ("**Shareholders**") to undertake a share consolidation of every one hundred (100) existing issued ordinary shares in the capital of the Company ("**Shares**") held by the Shareholders at a books closure date ("**Books Closure Date**") to be determined by the directors of the Company ("**Directors**"), into (1) ordinary share in the capital of the Company ("**Consolidated Share**"), fractional entitlements to be disregarded ("**Proposed Share Consolidation**").

2. Details of the Proposed Share Consolidation

Under the Proposed Share Consolidation, every one hundred (100) existing Shares registered in the name of each Shareholder as at the Books Closure Date will be consolidated to constitute one (1) Consolidated Share. Each Consolidated Share will rank pari passu in all respects with each other. The Consolidated Shares will be traded in board lots of 1,000 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Share arising from the Proposed Share Consolidation shall be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

As at the date of this announcement, the Company has an issued and paid-up share capital of 28,528,908,040 Shares. Following the Proposed Share Consolidation, the Company will have an issued share capital of 285,289,080 Consolidated Shares.

The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the shareholders' funds of the Company and its subsidiaries. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding. For illustrative purposes, the closing market price of the Shares as at the close of the preceding market day on 23 September 2014 on which the Shares were traded on the SGX-ST is S\$0.002 and upon completion of the Proposed Share Consolidation, the theoretical share price of each Consolidated Share is S\$0.20.

3. Rationale for the Proposed Share Consolidation

The Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

(a) Reduction of the Magnitude of Volatility of the Share Price

For the past six (6) calendar months prior to the date of this announcement, the absolute price of the Shares had traded in a range of between S\$0.002 and S\$0.014. The highest and lowest closing market prices for each month and the transacted volume of the Shares traded on the Catalist for each month, for the period from 1 March 2014 to 31 August 2014, are as follow:

	Highest Price (S\$)	Lowest Price (S\$)	Volume of traded Shares ('million)
March 2014	0.014	0.011	466.5
April 2014	0.012	0.007	552.1
May 2014	0.008	0.007	197.1
June 2014	0.008	0.006	120.4
July 2014	0.008	0.006	141.4
August 2014	0.006	0.002	727.1

Source: Bloomberg Finance LP.

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded Share prices translate to higher transaction costs, relative to the trading price, for each trading of one board lot of Shares. In addition, the low traded Share price may encourage speculation in the Shares, which may result in excessive Share price volatility. The Board therefore believes that the Proposed Share Consolidation may serve to reduce the fluctuation in magnitude of the Company's market capitalisation, reduce the percentage transaction cost for trading in each board lot of Shares and reduce the bid/ask price spreads of Shares currently being observed between 30% to 50% to approximately 1%. Eventually, this will help to enhance trading liquidity of the Company's Shares.

(b) Increase in the Market Interest and Attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding resulting in a corresponding increase in the calculation of theoretical trading price per Consolidated Share and net tangible assets per Consolidated Share. The Proposed Share Consolidation may also increase the profile of the

Company amongst the institutional investors and the coverage of the Company amongst research houses and fund managers.

However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

4. Approvals and Conditions

The Proposed Share Consolidation is subject to, inter alia, the following:

- (a) the approval of Shareholders by ordinary resolution at the extraordinary general meeting ("**EGM**") to be convened; and
- (b) the approval of the SGX-ST for the Proposed Share Consolidation.

An application will be made by the Company to obtain the SGX-ST's approval for the dealing in, listing of and quotation for the Consolidated Shares. An appropriate announcement on the outcome of the application will be made in due course.

Subject to the receipt of the approval in-principle from the SGX-ST, a circular containing, inter alia, further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

B. PROPOSED ADOPTION OF SINGAPORE EDEVELOPMENT LIMITED PERFORMANCE SHARE PLAN

1. Introduction

The Board wishes to announce that the Company is proposing to adopt a share plan to be known as the "Singapore eDevelopment Limited Performance Share Plan" (the "**Plan**") that will enable employees of the Group and the Group's executive directors to participate in the equity of the Company pursuant to the grant of contingent awards of fully paid ordinary shares in the capital of the Company (the "**Award Shares**") under the Plan.

2. Rationale for the adoption of the Plan

Currently the Company has in place an existing share option scheme, which was adopted on 20 November 2013 (the "**Scheme**") to provide an opportunity for employees who have contributed significantly to the growth and performance of the Group, as well as Directors who satisfy the eligibility criteria, to participate in the equity of the Company.

The Company has undertaken a review of employee remuneration and benefits and wishes to introduce a new compensation plan called Singapore eDevelopment Limited Performance Share Plan (the "**Plan**") that will promote higher performance goals, recognise exceptional achievement and retain talents within the Group. The Plan, which forms an integral and important component of a compensation plan, is designed to reward and retain the Group's employees and executive directors whose services are vital to the well-being and success of the Group.

The Plan contemplates the award of fully-paid Shares to its participants after certain pre-determined benchmarks have been met. The Company believes that the Plan will be more effective and rewarding than pure cash bonuses in motivating employees to work towards pre-determined goals of the Company.

The Company believes that attracting and retaining outstanding individuals as employees is paramount to the Group's long-term objective of achieving continuous growth, expansion and profitability in its business and operations. It is hoped that through the implementation of the Plan concurrently with the existing Scheme, the Company will be able to remain an attractive

and competitive employer and be better positioned to manage its fixed overhead costs without compromising on performance standards and efficiency.

The Company further believes that the Plan will complement the existing Scheme and serve as an additional and flexible incentive tool for the Group. With the Plan and the existing Scheme, the Company will be able to tailor share-based incentives according to the objectives to be achieved by combining awards under the plan with the grant of option shares under the Scheme.

With that in mind, the Plan is based on the principle of pay-for-performance and is designed to enable the Company to reward, retain and motivate employees to achieve superior performance. The purpose of adopting the Plan is to give the Company greater flexibility to align the interests of employees with the interests of Shareholders.

3. Approvals and Despatch of Circular

The proposed adoption of the Plan is subject to the approval of the Shareholders by ordinary resolution at an EGM to be convened. In connection therewith, the Company will in due course, be dispatching the Circular to all Shareholders.

An application will also be made for the listing and quotation of the Shares to be issued pursuant to the Plan on the SGX-ST.

C. **PROPOSED LISTING ON SGX-ST OF SECURED PROFIT-SHARING PERPETUAL BONDS OF PRINCIPAL AMOUNT OF UP TO S\$300,000,000**

1. Introduction

The Board wishes to announce that the Company is proposing to issue up to S\$300,000,000 (Singapore dollars three hundred million) in aggregate principal amount of 8 per cent unsubordinated perpetual bonds (the "**Perpetual Bonds**").

2. Principal Terms of the Perpetual Bonds

The Perpetual Bonds, which will be issued in the denomination of S\$100 (Singapore dollars one hundred), will be perpetual and will confer the holder of the Perpetual Bonds ("**Bond Holder**") a right to receive distribution from the issue date at the rate of 8 per cent per annum ("**Distribution Rate**"), such distribution to be payable on the Perpetual Bonds semi-annually in arrear, unless deferred in accordance with the Terms and Conditions of the Perpetual Bonds. The net proceeds from the issue of the Perpetual Bonds will be used to fund the Company's property development projects (the "**Projects**") via special purpose vehicles ("**SPV Companies**") in the United States of America, Australia, China and Singapore. In addition to the Distribution Rate, the Perpetual Bonds will also confer a right to receive pro-rated 30 per cent of the audited net profits after tax received by the Company ("**Profit Participation Sum**") and generated from the deployment of the Perpetual Bonds proceeds into the Projects above a threshold of 8 per cent per annum. The Profit Participation Sum will be distributed to the Bond Holders upon the Company receiving principal and profit from the Projects. The Profit Participation Sum entitlement of each Bond Holder will be calculated and distributed annually in arrears.

The Perpetual Bonds will constitute direct, secured and unsubordinated obligations of the Company and will rank pari passu and without any preference among them. The Perpetual Bonds shall be secured by way of a charge on the shares of a company which will be formed as a subsidiary of the Company to hold the Company's equity interest in the SPV Companies formed for the purposes of each property development project (the "**Charged Shares**"), where the terms and conditions of the charge shall be set in a share charge agreement. The Company shall not create any mortgage, charge, pledge or any other security interest upon the whole or any part of the Charged Shares. In the event of winding-up of the Company, the

Perpetual Bonds shall become immediately due and payable (at their outstanding principal amount), together with any accrued or unpaid interest and any outstanding arrears of interest.

The Perpetual Bonds may be redeemed at the option of the Company in whole, but not in part, upon giving not less than 30 days' notice to the Bond Holders at a redemption price equal to 100 per cent of the principal amount of the Perpetual Bonds with total interest equal to the interest accrued to the date of the redemption plus 6 additional months interest and/or otherwise upon the occurrence of certain redemption events and upon certain redemption price and interest to be determined and specified in the Terms and Conditions of the Perpetual Bonds.

3. Approvals and Conditions

The issuance of the Perpetual Bonds is subject to, inter alia, the following:

- (a) the approval of Shareholders by ordinary resolution at the EGM to be convened; and
- (b) the approval of the SGX-ST for the issuance of the Perpetual Bonds.

Application will be made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Perpetual Bonds on the SGX-ST. The Company will also file necessary documents with regulatory authorities including SGX-ST and the Monetary Authority of Singapore for the offering of the Perpetual Bonds (if required). Admission to the Official List of the SGX-ST and quotation of the Perpetual Bonds on the SGX-ST is not to be taken as an indication of the merits of the Company, its respective subsidiaries (if any), its respective associated companies (if any) or the Perpetual Bonds.

As at the date of this announcement, the full terms and conditions of the Perpetual Bonds have yet to be finalised. Subject to the receipt of the approval in-principle from the SGX-ST, a circular containing, inter alia, further information on the proposed issuance of the Perpetual Bonds will be despatched to Shareholders in due course.

This announcement and the information contained herein do not constitute an offer or invitation to purchase the Perpetual Bonds or any securities of the Issuer.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director and Chief Executive Officer

25 September 2014

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.

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