

SINGAPORE eDEVELOPMENT LIMITED

(formerly known as CCM Group Limited)
(Incorporated in the Republic of Singapore)
(Company registration no.: 200916763W)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID UP SHARE CAPITAL OF HOTAPPS INTERNATIONAL PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of the Company (together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has entered into a conditional sale and purchase agreement dated 12 August 2014 (the “**SPA**”) with Mr Chan Heng Fai (the “**Vendor**”) to acquire the entire issued and paid up share capital of HotApps International Pte. Ltd. (the “**Target**”) (the “**HotApps Acquisition**”) at the consideration of S\$98,000 (the “**Consideration Amount**”).

2. INFORMATION ON THE TARGET AND THE VENDOR

2.1 Information on the Target and Vendor

The Target is a Singapore-incorporated company with an issued and paid-up share capital of S\$2 comprising 2 ordinary shares.

The Target owns a mobile application with proprietary developed technology and is ready to be launched in the mobile application market (“**HotApp**”). It comes with all the core communications functions with additional unique features. This acquisition is consistent with the Company’s expansion strategy into the information technology (“**IT**”) industry.

The market for mobile instant messaging (“**IM**”) application is changing rapidly and can still be redefined and there is still room for new entrants like HotApp to develop and grow. The user base for mobile IM application is increasing, thereby creating also a potential growing market of users in the IM landscape.

Upon completion of the Acquisition, It is proposed that the Target will be managed by Mr Jacky Zhuang (“**Mr Zhuang**”). Mr Zhuang has more than 15 years of extensive experience in the industry including having spent 10 years in the United States with a Fortune 500 Company. He will be supported by a dedicated team of 20 IT Specialists, Developers and front and back end personnel. Upon approval by the Nomination Committee of the Board, Mr Zhuang will be invited to join the Group and he shall assume the position of Group’s Information Technology Business - Chief Executive Officer.

Mr Chan Heng Fai, the Vendor, is also the Executive Director and Chief Executive Officer of the Company. Although the HotApps Acquisition is an interested person transaction, the value of the HotApps Acquisition of S\$98,000 (based on the Consideration Amount) is below the S\$100,000 threshold for shareholder approval requirements under Chapter 9 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

3. RATIONALE

Following the shareholders’ approval of the proposed diversification of Company’s businesses to include the Information Technology Business (as defined in the Company’s circular to shareholders dated 14 July 2014), the HotApps Acquisition will provide an opportunity for the Company to grow its Information Technology Business in areas such as

mobile internet communications and hardware and software developments, which the Company believes has potential for growth, to the benefit of the Company and its shareholders.

4. PRINCIPAL TERMS

4.1 Proposed Acquisition

The Company shall, on the completion of the HotApps Acquisition, acquire the entire equity interest of the Target (the “**Sale Shares**”) from the Vendor for the Consideration Amount.

4.2 Consideration

The Consideration Amount of S\$98,000 shall be satisfied in Singapore dollars and paid to the Vendor in cash upon completion of the HotApps Acquisition. The Consideration Amount was arrived at on a willing buyer and willing seller basis. The Consideration Amount represents approximately 80% discount on the total estimated development costs of the HotApp mobile application and platform.

4.3 Conditions Precedent

The completion of the HotApps Acquisition shall be subject to, amongst others, the following conditions precedent:

- (A) The Target obtaining such approval(s) from its board of directors and/or shareholders in connection with this Agreement and the transactions contemplated therein as may be necessary; and
- (B) The completion and satisfactory outcome, of all financial and legal due diligence investigations by the Company and its professional advisers into, amongst others, the financial, contractual, tax and prospects, of the Target and title to its assets.

5. VALUE OF THE ASSETS TO BE ACQUIRED AND FINANCIAL EFFECTS

The book value and net tangible asset value of the Sale Shares is insignificant as at the date of the SPA as the Target will have no revenue or expenses or liabilities upon completion and only owns intangible assets such as proprietary software and platform for HotApp. There is no open market value on the Sale Shares.

The HotApps Acquisition is not expected to have a material financial impact on the net tangible assets and the earnings per share of the Company for the financial year ending 31 December 2014 (“**FY 2014**”).

6. NON-DISCLOSEABLE TRANSACTION AND AUDIT COMMITTEE STATEMENT

Within the meaning of Rule 1006 of the Catalist Rules, the HotApps Acquisition is classified as a “non-discloseable” transaction. Although the HotApps Acquisition is a non-discloseable transaction, the Company has elected to disclose this acquisition to its shareholders so as to keep its shareholders updated in relation to the Company’s progress in the IT Business, a business segment which the Company has recently obtained shareholders’ approval.

Having considered the principal terms of the HotApps Acquisition, as well as the rationale for the entry into the SPA, the audit committee of the Company is of the view that the principal terms of the HotApps Acquisition are on normal commercial terms and would not be prejudicial to the interests of the Company and its minority shareholders.

Mr. Chan Heng Fai, who is the Vendor, has declared his interest in the HotApps Acquisition and had abstained from participating in the review process of the HotApps Acquisition.

7. SHAREHOLDING INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest in the HotApps Acquisition, save for their interests arising by way of their shareholdings and/or directorships, as the case may be, in the Company, and save for Mr Chan Heng Fai who is the Vendor.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the Company's registered address at 9 Temasek Boulevard, #09-02A, Singapore for a period of three (3) months from the date of this announcement.

9. FURTHER ANNOUNCEMENTS

The Company will make further announcements if and when there are material developments in respect of the HotApps Acquisition.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director and Chief Executive Officer
12 August 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 Media Release, including the correctness of any of the statements or opinions made or reports contained in this Media Release.

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 6415-9885.