



SINGAPORE eDEVELOPMENT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200916763W)

PROPOSED ACQUISITION OF HENGFAI ASSET MANAGEMENT PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Singapore eDevelopment Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, through its wholly owned subsidiary, SeD Capital Pte. Ltd., entered into a sale and purchase agreement on 9 May 2017 to purchase 1,780,000 shares in Hengfai Asset Management Pte. Ltd. (“**HFAM**”) amounting to 100% of the issued and paid-up share capital of HFAM (the “**HFAM SPA**”) (the “**Proposed Acquisition**”).

The Proposed Acquisition is an interested person transaction under Chapter 9 of the Catalyst Rules and a disclosable transaction under Chapter 10 of the Catalyst Rules.

2. INFORMATION ON HENGFAI ASSET MANAGEMENT PTE. LTD. AND MR CHAN HENG FAI

HFAM is a Singapore-incorporated private limited company of which Mr Chan Heng Fai is a non-executive director and the majority shareholder. HFAM is a registered fund management company regulated by the Monetary Authority of Singapore.

HFAM will comprise four (4) funds, namely:

- (a) Global Systematic Multi-Strategy Fund
- (b) Global Opportunity Fund
- (c) Global Property Development Fund
- (d) Global High Yield Income Fund

Mr Chan Heng Fai, who is an Executive Director and the Chief Executive Officer of the Company and who is also a controlling shareholder of the Company, is an interested person under Chapter 9 of the Catalyst Rules. Accordingly, the Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Catalyst Rules.

3. FINANCIAL INFORMATION ON HENGFAI ASSET MANAGEMENT PTE. LTD.

Book Value and Net Tangible Asset (“**NTA**”)

Based on the HFAM’s latest audited consolidated accounts for the financial year ended 31 December 2015, the book value and the NTA of HFAM is approximately S\$208,573. The unaudited book value of the net assets of HFAM is approximately S\$337,309 as at 31 March 2017.

Valuation

No valuation was commissioned by the Company in respect of the Proposed Acquisition.

4. SALIENT TERMS OF THE HFAM SPA

Conditions Precedent

The Proposed Acquisition is conditional upon the following conditions precedent:

- (a) the Company obtaining such approval(s) from the Board (if necessary) in connection with the HFAM SPA and the transactions contemplated therein as may be necessary;
- (b) there is no breach by the vendors of their representations, warranties, covenants and indemnities contained in the HFAM SPA;
- (c) each of the warranties and undertakings remaining true and not misleading in any respect as at the completion date, as if repeated on the completion date and at all times between the date of the HFAM SPA and the completion date;
- (d) all approvals, consents and/or waivers as may be necessary from any third party, governmental or regulatory body or relevant competent authority for the transactions contemplated under the HFAM SPA, being granted or obtained by the vendors and/or HFAM, and being in full force and effect and not having been withdrawn, suspended, amended or revoked before the completion date, and if such approvals, consents and/or waivers are granted or obtained subject to any condition(s), such condition(s) being acceptable to the Company and if such condition(s) are required to be fulfilled before the completion date, such condition(s) being fulfilled before the completion date; and
- (e) the execution and performance of the HFAM SPA by the Company, the vendors and HFAM not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority.

Consideration

The consideration for the proposed acquisition of HFAM is S\$300,000 (the “**Consideration**”). The Consideration was arrived at on a willing-buyer-willing-seller basis, after taking into account the unaudited book value of the net assets of HFAM of approximately S\$337,309 as at 31 March 2017.

The Consideration shall be satisfied in full by the Company by payment of the Consideration in cash.

Representations, Warranties and Undertakings

The parties to the HFAM SPA have furnished each other with customary representations, warranties and undertakings for transactions of this nature.

Governing Law

The HFAM SPA shall be governed by and construed in accordance with the laws of Singapore.

5. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

As stated in Section 2 of this Announcement, Mr Chan Heng Fai is an interested person under Chapter 9 of the Catalist Rules. Accordingly, the Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

Based on the Company's latest audited consolidated accounts for the financial year ended 31 December 2016 ("FY2016"), the Group's latest audited NTA is approximately S\$26 million. The total value of the Proposed Acquisition amounts to S\$300,000.

The current total value of all interested person transactions, excluding transactions which are less than S\$100,000, with (a) Mr Chan Heng Fai and his associates; and (b) all interested persons of the Company (including Mr Chan Heng Fai and his associates) for the period from 1 January 2017 to the date of this Announcement and current total value of all interested person transactions as a percentage of the Group's latest audited NTA as at 31 December 2016 are as follows:

	Before the Proposed Acquisition		After the Proposed Acquisition	
	Amount	As a percentage of the Group's latest audited NTA as at 31 December 2016	Amount	As a percentage of the Group's latest audited NTA as at 31 December 2016
Total value of all interested person transactions, excluding transactions which are less than S\$100,000.00, with Mr Chan Heng Fai and his associates for the period from 1 January 2017 to the date of this Announcement	US\$500,000 ¹ (equivalent to approximately S\$700,850)	2.70%	S\$1,000,850	3.85%
Total value of all interested person transactions, excluding transactions which are less than S\$100,000.00, with all interested persons of the Company (including Mr Chan Heng Fai and his associates) for the period from 1 January 2017 to the date of this Announcement	S\$700,850	2.70%	S\$1,000,850	3.85%

¹ Mr Chan Heng Fai is a director and the sole shareholder of Amarantus Bioscience Pte. Ltd. ("ABPL"). On 6 March 2017, ABPL has acquired 250,000 shares of Amarantus' Series F Preferred Stock, which represents 99.3% of the voting securities of Amarantus BioScience Holdings, Inc. ("Amarantus") as at the date of this Announcement. Accordingly, Amarantus is an associate of Mr Chan Heng Fai. As announced by the Company on 27 February 2017, in consideration for restructuring services provided by the Company's wholly-owned subsidiary, namely, BMI Capital Partners International Limited ("BMI"), Amarantus had issued convertible note with an aggregate value of US\$500,000 to BMI.

As the total value of all interested transactions, excluding transactions which are less than S\$100,000, with Mr Chan Heng Fai and his associates for the period from 1 January 2017 to the date of this Announcement (including the Proposed Acquisition) represents approximately 3.82% which is less than 5.00% of the Group's latest audited NTA as at 31 December 2016, shareholder approval for the Proposed Acquisition is not required.

6. RATIONALE

In line with the Company's strategic shift to pursue asset-light opportunities with a view to accelerate corporate recovery under the leadership of Mr Chan Heng Fai, who is an Executive Director and the Chief Executive Officer of the Company and who is also a controlling shareholder of the Company, the Company proposes entering into the HFAM SPA to acquire Mr Chan Heng Fai's personal interests in HFAM.

The Proposed Acquisition represents new business opportunities for the Company or synergies with existing activities of the Company which may accelerate corporate recovery for the Company.

7. SOURCE OF FUNDS FOR THE PROPOSED ACQUISITION

The Consideration shall be funded by the Company's internal resources.

8. PRO FORMA FINANCIAL EFFECTS OF THE HFAM SPA

The *pro forma* financial effects of the Proposed Acquisition on the NTA per share and the earnings per share of the Group have been prepared based on the audited consolidated financial statements of the Company for FY2016.

For the purpose of illustrating the financial effects of the Proposed Disposal, the *pro forma* financial effects have been prepared based on, among others, the following assumptions:

- (a) the financial effects on the NTA per share of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2016;
- (b) the financial effects on the earnings per share of the Group are computed assuming that the Proposed Acquisition was completed on 1 January 2016; and
- (c) the cost and expenses in connection with the Proposed Acquisition are disregarded for the purposes of calculating the *pro forma* financial effects.

Effects on NTA per share

	Before completion of the Proposed Acquisition	After completion of the Proposed Acquisition
NTA (S\$'000)	26,001	26,038
Number of issued shares ('000)	569,862	569,862
NTA per share (cents)	4.56	4.57

Effects on earnings per share

	Before completion of the Proposed Acquisition	After completion of the Proposed Acquisition
Loss from continuing operations attributable to owners of the Company (S\$'000)	(7,927)	(8,365)
Weighted average number of issued shares ('000)	403,387	403,387
Loss per share (cents)	(1.97)	(2.07)

The *pro forma* financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Group upon completion of the Proposed Acquisition. No representation is made as to the actual future results and/or financial position of the Group.

9. AUDIT & RISK MANAGEMENT COMMITTEE STATEMENT

The members of the Audit & Risk Management Committee are independent for the purposes of the Proposed Acquisition as an interested person transaction.

Having considered, among others, the terms, rationale and benefits of the Proposed Acquisition, the Audit & Risk Management Committee is of the view that the Proposed Acquisition is on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders.

10. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

Rule 1006 of the Catalist Rules	Description	Relative figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable ⁽¹⁾
(b)	The net loss attributable to the assets acquired or disposed of, compared to with the Group's net loss.	6.16% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	0.45% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾

Rule 1006 of the Catalist Rules	Description	Relative figures
(e)	The aggregate volume or amount proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable ⁽⁵⁾

Notes:

- (1) The Proposed Acquisition relates to an acquisition of assets and not a disposal of assets.
- (2) The net loss attributable to HFAM of approximately S\$438,000 for FY2016 represents approximately 6.16% of the Group's net loss of approximately S\$7,118,000 for FY2016.
- (3) The Consideration of S\$300,000 represents approximately 0.45% of the Company's market capitalisation of approximately S\$66,207,000 on 8 May 2017, being the market day preceding the date of the HFAM SPA.
- (4) No equity securities are being issued by the Company as consideration for the Proposed Acquisition.
- (5) The Proposed Acquisition relates to an acquisition of assets and not a disposal of assets. The Company is also not a mineral, oil and gas company.

As one of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules is more than 5% but does not exceed 75%, the Proposed Acquisition is a "Discloseable Transaction" but not a "Major Transaction" as defined in Chapter 10 of the Catalist Rules. Accordingly, the Proposed Acquisition will not be subject to approval by shareholders in a general meeting.

11. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Announcement, none of the Directors and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings (if any) in the Company.

12. SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition and no service contracts in relation thereto is proposed to be entered into by the Company.

13. DOCUMENTS FOR INSPECTION

A copy of the HFAM SPA is available for inspection at the registered office of the Company at 10 Winstedt Road, Block A #02-02, Singapore 227977, during normal business hours for three (3) months from the date of this Announcement.

14. FUTURE ANNOUNCEMENTS

The Company will make subsequent announcements to update its shareholders when there are material updates as may be necessary or appropriate.

15. CAUTION IN TRADING

Shareholders and potential investors of the Company should note that the Proposed Acquisition is subject to the fulfilment of certain conditions precedent.

Shareholders and potential investors of the Company are advised to exercise caution when dealing or trading in the shares of the Company. In particular, shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed. Shareholders and potential investors of the Company are advised to read this Announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director and Chief Executive Officer
15 May 2017

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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