SINGAPORE eDEVELOPMENT LIMITED

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

POTENTIAL LIABILITY IN RELATION TO LEGACY CONSTRUCTION BUSINESS

The Board of Directors of Singapore eDevelopment Limited ("**Company**") wishes to update shareholders that the Company had been informed by Compagnie Française d'Assurance pour le Commerce Extérieur ("**COFACE**"), an insurance company and issuer of the performance bond relating to the building works at Jurong West Neighbourhood 2 Contract 19 ("**Jurong West Performance Bond**") undertaken by CCM Industrial Pte Ltd (in liquidation) ("**CIPL**"), that Housing Development Board ("**HDB**"), the project owner, had demanded payment of S$2,812,033.62 ("**Demanded Sum**") by COFACE under the Jurong West Performance Bond. The Demanded Sum is a partial sum claimed against the sum guaranteed of S$3,408,250 ("**Guaranteed Sum**") under the Jurong West Performance Bond and HDB reserves its right to make further claims against its remaining balance.

The Company had provided corporate indemnities ("**Legacy Corporate Indemnities**") to issuers of various performance bonds relating to its legacy construction business under CIPL, a previously wholly-owned subsidiary of the Company that was disposed off on 21 May 2014. The Legacy Corporate Indemnities were given in the ordinary course of business of the Company.

COFACE has demanded payment from CIPL by 15 June 2015. The Jurong West Performance Bond is one of the performance bonds guaranteed by the Company under the Legacy Corporate Indemnities and, accordingly, should CIPL fail to make payment, COFACE is entitled to seek recovery from the Company.

As the Guaranteed Sum is fully covered by a provision for claims of S$3.46 million recognised by the Company as at 31 December 2014 and in the event that COFACE seeks recovery up to the Guaranteed Sum from the Company, it is currently not expected that this payment will have a material impact on the financial results for the current year ending 31 December 2015.

The Company will make further announcements as and when appropriate and/or necessary.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director and Chief Executive Officer

9 June 2015

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.

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.