



SINGAPORE eDEVELOPMENT LIMITED

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

Increase in shareholding in HotApp International, Inc. through capitalisation of loan

1. THE CONVERSION

The Board of Directors (the “**Board**”) of Singapore eDevelopment Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company that the Company has entered into an agreement with HotApp International, Inc. (“**HTPN**”) a majority-owned subsidiary of the Company to capitalise its loan to HTPN, evidenced by the Note (as defined below), into 777,687 new shares of HTPN (the “**Conversion Shares**”) at US\$5.00 each (the “**Conversion Price**”) (“**Conversion**”). The Conversion Price was set at 50% discount of the applicable issue price of the Company’s initial investment in HTPN.

The Company had, in its announcement dated 8 January 2015, announced that the Company had extended a short term loan of S\$5.25 million to HTPN for the purposes of software development, marketing and general working capital. The short term loan was in the form of a promissory note issued by HTPN (the “**Note**”).

HTPN is a fully reporting U.S. public company incorporated in Delaware, the United States of America, and is the holding company for the Group’s subsidiaries engaged in the development and marketing of the Group’s mobile application, HotApp. As at 31 March 2015, HTPN had reported a deficiency in its consolidated equity of US\$(876,314) and has been relying upon the continuous financial support from the Company via the Note. The Company believes that the Conversion will enhance the equity position of HTPN through the capitalisation of the debt evidenced by the Note. As at 10 July 2015, the net tangible asset value and the book value attributable to the Conversion Shares are S\$5.25 million (or US\$3.9 million), being the outstanding amount under the Note.

Following the Conversion, the Company’s shareholding in HTPN shall increase from 5,024,000 common shares (or 97.9% of the total issued outstanding common shares) to 5,801,687 common shares (or 98.17% of the total issued outstanding common shares).

2. RELATIVE FIGURES FOR THE TRANSACTION

Based on the Conversion, the relative figures computed on bases as set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), based on the latest announced financial statements of the Group for the financial year ended 31 December 2014 (“**FY2014**”) are as follows:

(a)	Net asset value (“ NAV ”) of the assets to be disposed of, compared with the Group’s NAV. This basis is not applicable to an acquisition of assets.	N.A.
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(b)	Net loss of S\$3,300 attributable to the Conversion Shares, compared with the Group's net consolidated losses of approximately S\$20.7 million. ⁽¹⁾	0.0%
(c)	Aggregate value of the consideration, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares. ⁽²⁾	22.7%
(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A.
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral oil and gas company, but not to an acquisition of such assets	N.A.

Notes:

- (1) Under Rule 1002(3)(b) of the Catalist Rules, "net profits" means profit or loss before income tax, minority interests and extraordinary items. The Group reported the results of its IT-related business as a consolidated loss of S\$1.19 million which substantially comprised of the consolidated results of HTPN since its acquisition by the Company. The net loss attributable to the Conversion Shares for the FY2014 is approximately S\$3,300 and the Group's net consolidated loss for FY2014 was S\$20.7 million.
- (2) Based on the consideration of the Conversion Shares (determined in accordance with Rule 1003(3) of the Catalist Rules) and the market capitalisation of the Company of approximately S\$23.1 million as at 10 July 2015, being the market day immediately preceding the date of the Conversion on which ordinary shares in the capital of the Company ("**Shares**") were traded on the SGX-ST Under Rule 1002(5) of the Catalist Rules, the market capitalisation of the Company is determined by multiplying the number of Shares in issue excluding treasury shares, being 285,295,850, Shares, and the weighted average price of S\$0.081 per Share, on 10 July 2015.

As the applicable figure computed under Rule 1006(c) of the Catalist Rules exceeds 5% but is less than 75%, the Conversion constitutes a "discloseable transaction" under Rule 1010 of the Catalist Rules.

3. FINANCIAL EFFECTS OF THE TRANSACTION

The financial effects below have been prepared based on the audited financial statements of the Group for FY2014, and are purely for illustrative purposes and not projections of the actual future financial performance or financial position of the Group.

Net Tangible Assets ("NTA**") per Share**

Assuming that the Conversion had been completed on 31 December 2014 and based on the audited financial statements of the Group for FY2014, the financial effects which the Conversion would have on the NTA per Share are as follows:

	Before the Conversion	After the Conversion
NTA (S\$'000)	21,688	21,685
Number of Shares ('000)	285,296	285,296
NTA per Share (Singapore cents)	7.6	7.6

Loss per Share ("LPS")

Assuming that the Conversion had been completed on 1 January 2014 and based on the audited financial statements of the Group for FY2014, the pro forma financial effects which the Conversion would have on the LPS are as follows:

	Before the Conversion	After the Conversion
Profit/(Loss) attributable to Shareholders (S\$'000)	(20,743)	(20,743)
Weighted average number of Shares ('000)	92,288	92,288
Profit/(Loss) per Share (Singapore cents)	(22.5)	(22.5)

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Conversion, other than through their shareholdings in the Company.

5. SERVICE AGREEMENTS

No new directors are proposed to be appointed to the Board in connection with the Conversion. No service agreements will be entered into with any existing or new directors of the Company in connection with the Conversion.

6. DOCUMENTS FOR INSPECTION

Copies of the Conversion Agreement and the memorandum and articles of association of the Company will be available for inspection at the registered office of the Company at 9 Temasek Boulevard, #09-02A Suntec Tower 2, Singapore 038989 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director and Chief Executive Officer

13 July 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.