

CIRCULAR DATED 14 APRIL 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your ordinary shares in the capital of Singapore eDevelopment Limited (the “**Company**”) represented by physical share certificate(s), you should forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed Proxy Form immediately to the purchaser or the transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The ordinary shares of the Company are listed for quotation on the Catalist. Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the SGX-ST Main Board. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Circular 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 SGX-ST. The Sponsor has not independently verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The SGX-ST has not in any way considered the merits of the securities being offered for investment.

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, at 16 Raffles Quay, #40-01A Hong Leong Building, Singapore 048581, telephone (65) 6415 9886.



SINGAPORE EDEVELOPMENT LIMITED

(Company Registration No. 200916763W)

(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED SUBSCRIPTION OF 117,000,000 NEW ORDINARY SHARES (“SUBSCRIPTION SHARES”) IN THE CAPITAL OF THE COMPANY AT THE SUBSCRIPTION PRICE OF S\$0.06 PER EACH SUBSCRIPTION SHARE BY HENGFAI BUSINESS DEVELOPMENT PTE LTD, AN ASSOCIATE OF MR CHAN HENG FAI, A DIRECTOR AND CONTROLLING SHAREHOLDER OF THE COMPANY (THE “PROPOSED SUBSCRIPTION”);**
- (2) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS (AS DEFINED HEREIN) OF THE COMPANY TO RECEIVE A MANDATORY GENERAL OFFER FROM HENGFAI BUSINESS DEVELOPMENT PTE. LTD. FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THE CONCERT PARTY GROUP AS A RESULT OF THE PROPOSED SUBSCRIPTION (THE “PROPOSED WHITEWASH RESOLUTION”); AND**
- (3) THE PROPOSED REDEMPTION OF EXCHANGEABLE NOTES (THE “PROPOSED REDEMPTION”).**

Independent Financial Adviser in relation to the Proposed Subscription and the Proposed Whitewash Resolution



PROVENANCECAPITAL

PROVENANCE CAPITAL PTE. LTD.

(Company Registration No: 200309056E)

(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	27 April 2016 at 11.30 a.m.
Date and time of Extraordinary General Meeting	:	29 April 2016 at 11.30 a.m. (or soon thereafter following the conclusion or adjournment of the Extraordinary General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place, or any adjournment thereof)
Place of Extraordinary General Meeting	:	Pan Pacific Singapore, Ocean 6, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595

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DEFINITIONS

The following definitions apply throughout this Circular unless otherwise stated:

Companies within the Group

- “Company” : Singapore eDevelopment Limited
- “Group” : The Company and its subsidiaries collectively
- “Subsidiary” : A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act

Other Corporations and Agencies

- “ACRA” : Accounting and Corporate Regulatory Authority
- “Authority” : The Monetary Authority of Singapore
- “CDP” : The Central Depository (Pte) Limited
- “CPF” : Central Provident Fund
- “HBD” : Hengfai Business Development Pte. Ltd.
- “IFA” : Provenance Capital Pte. Ltd., the independent financial adviser to the Recommending Directors
- “SGX-ST” : Singapore Exchange Securities Trading Limited
- “SIC” : Securities Industry Council
- “Sponsor” : Hong Leong Finance Limited, the sponsor of the Company

General

- “Act” or “Companies Act” : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “Announcement” : The announcement of the Company released on 29 January 2016 in respect of, *inter alia*, the Proposed Subscription and the Proposed Redemption
- “associate” : (a) In relation to any Director, chief executive officer, substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

DEFINITIONS

	(b)	In relation to a substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Audit and Risk Management Committee”	:	The audit & risk management committee of our Company for the time being, unless otherwise stated
“Board”	:	The board of Directors of the Company for the time being
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CHF”	:	Mr Chan Heng Fai, an Executive Director, Chief Executive Officer and a Controlling Shareholder of the Company
“Circular”	:	This circular to Shareholders dated 14 April 2016
“Concert Party Group”	:	CHF and HBD, and any person acting in concert with them
“Controlling Shareholder”	:	A Shareholder who: (a) holds directly or indirectly 15% or more of the nominal amount of the Shares in the Company; or (b) in fact exercises control over the Company
“Directors”	:	The directors of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company, to be convened for the purposes of considering and, if thought fit, passing with or without modifications, the Proposed Resolutions set out in the Notice of EGM
“Enlarged Share Capital”	:	The Company’s enlarged issued share capital of 417,295,850 Shares after the completion of the Proposed Subscription
“EPS / LPS”	:	Earnings per Share or loss per Share as the case may be
“Exchangeable Notes”	:	The exchangeable notes issued by the Company’s wholly owned subsidiary, Singapore Construction & Development Pte. Ltd. (formerly known as CCM Property Pte. Ltd.), in 2014, which can be exchanged into new Shares of the Company. For more information on the Exchangeable Notes, please refer to the circular to Shareholders dated 28 October 2013
“Existing Share Capital”	:	The existing issued and paid-up share capital of the Company of 300,295,850 Shares as at the Latest Practicable Date

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“FY”	:	Financial year ended or ending 31 December, as the case may be, unless otherwise stated
“IFA Letter”	:	The letter dated 14 April 2016 from the IFA to the Recommending Directors in respect of the Proposed Subscription as an interested person transaction and the Proposed Whitewash Resolution as set out in Appendix I of this Circular
“Independent Director”	:	An independent director of the Company
“Independent Shareholders”	:	Shareholders who are deemed to be independent for the purposes of the Proposed Subscription and the Proposed Whitewash Resolution
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 6 April 2016
“LQN”	:	The listing and quotation notice to be sought from the SGX-ST in respect of the Subscription Shares
“Noteholder”	:	The holder of the Exchangeable Notes
“Notice of EGM”	:	The notice of EGM which is on page 47 of this Circular
“NTA”	:	Net tangible assets
“Proposed Resolutions”	:	The Ordinary Resolutions as set out in the Notice of EGM on page 47 of this Circular for which the Directors are seeking Shareholders’ approval
“Proposed Redemption”	:	The proposed redemption of the Exchangeable Notes
“Proposed Subscription”	:	The proposed subscription of 117,000,000 new ordinary shares in the capital of the Company at the Subscription Price of S\$0.06 by HBD
“Proposed Whitewash Resolution” or “Whitewash Resolution”	:	The proposed resolution which requires approval by way of a poll by a majority of the Independent Shareholders present and voting at the EGM to waive their rights to receive a general offer for the Company from HBD pursuant to Rule 14 of the Code and the Whitewash Waiver relating to the Proposed Subscription, further details of which are found in Section 3.4 of this Circular
“Proxy Form”	:	The proxy form in respect of the EGM accompanying this Circular
“Recommending Directors”	:	Directors who are regarded as independent in respect of the Proposed Subscription, the Proposed Whitewash Resolution and the Proposed Redemption, namely, Mr Basil Chan, Mr Chan Yu Meng, Mr Tao Yeoh Chi, Mr Lum Kan Fai Vincent and Mr Cui Peng
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time

DEFINITIONS

“Shareholders”	:	Registered holders of Shares in the register of Members of the Company or, where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with those Shares
“Shareholders’ Approval”	:	The approval of the Shareholders for any or all the Proposed Resolutions, as the case may be
“Shares”	:	Ordinary shares in the capital of the Company
“SIC Conditions”	:	Conditions imposed by the SIC to which the SIC Waiver is subject, details of which are set out in Section 3.4 of this Circular
“Subscription Agreement”	:	The subscription agreement dated 29 January 2016 between the Company and HBD in relation to the Proposed Subscription
“Subscriber”	:	Hengfai Business Development Pte. Ltd.
“Subscription Price”	:	The issue price of the Subscription Shares, being S\$0.06 for each Subscription Share
“Subscription Shares”	:	The 117,000,000 new Shares to be issued to HBD pursuant to the Proposed Subscription
“substantial shareholder”	:	A person who has an interest in the voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than 5.0% of all the voting Shares
“Take-over Code” or “Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended and revised from time to time
“Whitewash Waiver” or “SIC Waiver”	:	The waiver granted by the SIC of the obligations of HBD to make a mandatory general offer for the Company under Rule 14 of the Code in the event that the combined shareholdings of the Concert Party Group or the shareholding of any member of the Concert Party Group exceeds 30% of the Company’s enlarged issued share capital as a result of HBD subscribing for or acquiring Subscription Shares. The waiver is subject to the satisfaction of the SIC Conditions, further details of which are set out in Section 3.4 of this Circular

Currencies, Units and Others

“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“%” or “per cent.”	:	Per centum or percentage

The term **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

DEFINITIONS

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. A “person” shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to the time of day or date in this Circular shall be a reference to Singapore time and dates unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA or the Catalist Rules or such statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, SFA, or the Catalist Rules or such statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the Catalist Rules and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

SINGAPORE EDEVELOPMENT LIMITED

(Company Registration Number: 200916763W)
(Incorporated in Singapore)

Directors:

Basil Chan (Independent and Non-Executive Chairman)
Chan Heng Fai (Executive Director and Chief Executive Officer)
Chan Tung Moe (Executive Director)
Cui Peng (Executive Director)
Lum Kan Fai Vincent (Executive Director)
Teh Wing Kwan (Non-Executive Director)
Tao Yeoh Chi (Independent Director)
Chan Yu Meng (Independent Director)

Registered Office:

10 Winstedt Road,
Block A #02-02
Singapore 227977

14 April 2016

To: The Shareholders of Singapore eDevelopment Limited

Dear Sir/Madam,

1. INTRODUCTION**1.1. EGM**

The Directors are convening an EGM to be held on 29 April 2016 to seek Shareholders' Approval in relation to:

- (1) the proposed subscription of 117,000,000 new ordinary shares in the capital of the Company at the Subscription Price by HBD, an associate of CHF who is a Director and Controlling Shareholder of the Company (the **"Proposed Subscription"**) (Resolution 1);
- (2) the Proposed Whitewash Resolution (Resolution 2); and
- (3) the proposed redemption of the Exchangeable Notes (the **"Proposed Redemption"**) (Resolution 3);

(collectively, the **"Proposed Resolutions"**).

1.2. Circular to Shareholders

On 29 January 2016, the Company issued the Announcement to inform Shareholders of, *inter alia*, the Proposed Subscription and the Proposed Redemption. The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the abovementioned Proposed Resolutions to be tabled at the EGM, the notice of which is set out on page 47 of this Circular. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) nor for any other purpose.

1.3. Inter-conditionality

Shareholders should note that the passing of Resolutions 1, 2 and 3 as set out in Notice of EGM are inter-conditional. This means that if any one of these Proposed Resolutions is not approved, the other Resolutions would not be passed.

LETTER TO SHAREHOLDERS

2. THE PROPOSED SUBSCRIPTION

2.1. Introduction

On 29 January 2016, the Company announced that, *inter alia*, the Company had entered into the Subscription Agreement with HBD, an associate of CHF, who is a Director and Controlling Shareholder of the Company, pursuant to which the Company agreed to issue and allot, and HBD agreed to subscribe for, an aggregate of 117,000,000 Subscription Shares at the Subscription Price (the “**Announcement**”) on the terms of the Subscription Agreement.

Pursuant to the terms of the Subscription Agreement, the Proposed Subscription is subject to, *inter alia*, (i) obtaining the LQN from the SGX-ST in relation to the Subscription Shares; (ii) the approval of Shareholders at the EGM; and (iii) the approval by Independent Shareholders of the Proposed Whitewash Resolution.

No placement agent has been appointed by the Company in respect of the Proposed Subscription. There is also no commission, introducer fee or referral fee payable by the Company in relation to the Proposed Subscription.

2.2. Rules 804, 805 and 812 of the Catalist Rules

Under Rule 805 of the Catalist Rules, except where an issuer had previously obtained a general share issue mandate at a general meeting as provided in Rule 806 of the Catalist Rules, the issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer.

The Subscription Shares will be issued and allotted pursuant to a specific mandate and will not be issued under the authority of the general share issue mandate of the Company. The Company will be seeking specific approval from Shareholders at the EGM for the issuance of the Subscription Shares in accordance with Rule 805(1) of the Catalist Rules and Section 161 of the Companies Act.

Under Rule 804 of the Catalist Rules, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless shareholders in general meeting have approved the specific allotment. Such directors and associates must abstain from exercising any voting rights on the matter.

In addition, Catalist Rules 812(1) and 812(2) provide that, save where specific shareholder approval for such a placement has been obtained, an issue must not be placed to any of the following persons:

- (i) an issuer’s directors and substantial shareholders;
- (ii) immediate family members of the directors and substantial shareholders;
- (iii) substantial shareholders, related companies (as defined in Section 6 of the Act), associated companies and sister companies of the issuer’s substantial shareholders;
- (iv) corporations in whose shares the issuer’s directors and substantial shareholders have an aggregate interest of at least 10%; and
- (v) any person who, in the opinion of the SGX-ST, falls within category (i) to (iv) above.

As the HBD is a substantial shareholder of the Company and an associate of CHF, an Executive Director, Chief Executive Officer and Controlling Shareholder of the Company, the Proposed Subscription is subject to Shareholders’ Approval pursuant to Rules 804 and 812 of the Catalist Rules.

LETTER TO SHAREHOLDERS

CHF and HBD shall abstain from voting on the resolution approving the Proposed Subscription and the issuance of the Subscription Shares in accordance with Rule 812(2) of the Catalist Rules.

2.3. Salient terms of the Proposed Subscription

2.3.1 The Subscription

Pursuant to the terms of the Subscription Agreement, HBD will subscribe for an aggregate of 117,000,000 Subscription Shares for an aggregate consideration of S\$7,020,000.

The Subscription Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights and entitlements similar to existing Shares, except that the Subscription Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Subscription Shares.

The offer of the Subscription Shares is made pursuant to the exemption under Section 272B of the SFA. Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscription.

2.3.2 Subscription Price

The Subscription Price of S\$0.06 for each Subscription Share represents a premium of approximately 104% on the volume weighted average price of the Shares traded on the SGX-ST on the full market day on which the Subscription Agreement was signed and on which the Shares were traded being 29 January 2016.

The Subscription Price was agreed upon following arm's length negotiations between the Company and the Subscriber, taking into consideration, an estimate of the net asset value of the Group. There shall be no adjustment made to the Subscription Price for any reason whatsoever.

2.3.3 Conditions Precedent

The completion of the Proposed Subscription is conditional upon, *inter alia*:

- (a) the Company having obtained Shareholders' approval at the EGM for the issue of the Subscription Shares to the Subscriber in compliance with the Catalist Rules;
- (b) the LQN of the Subscription Shares on the Catalist of the SGX-ST being obtained from the SGX-ST via the Sponsor and not revoked or amended as at the date of completion of the Proposed Subscription and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Subscriber;
- (c) receipt of the SIC Waiver and such SIC Waiver not being withdrawn prior to the completion of the Proposed Subscription;
- (d) the IFA Letter in relation to the Proposed Subscription as an interested person transaction and the Proposed Whitewash Resolution being obtained;
- (e) the approval by Independent Shareholders for the Proposed Whitewash Resolution;
- (f) the SIC Conditions having been fulfilled on or before that date or waived by the SIC;
- (g) the issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the respective subscription agreements by any applicable legislative, executive or regulatory body or authority of Singapore;

LETTER TO SHAREHOLDERS

- (h) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Subscription Agreement untrue or incorrect in any material respect as at the completion date of the Proposed Subscription as if they had been given again on the respective completion dates; and
- (i) the Company and the Subscriber not being in breach of any of the undertakings and the covenants in the Subscription Agreement as at the date of completion of the Proposed Subscription.

The Sponsor will make an application on behalf of the Company to the SGX-ST for the LQN of the Subscription Shares on the Catalist of the SGX-ST. An announcement of the receipt of the LQN in relation to the Subscription Shares will be made in due course when the LQN is obtained.

2.4. Details of the Subscriber

HBD is a substantial shareholder of the Company, and CHF is the sole director and beneficial shareholder of HBD. CHF is an Executive Director and the Chief Executive Officer of the Company, and is also a Controlling Shareholder of the Company.

2.5. Rationale and Use of Proceeds

Pursuant to the Announcement, the Company had previously announced that it intends to redeem all 20 existing Exchangeable Notes upon the completion of the Proposed Subscription (the “**Proposed Redemption**”). The Group will use the proceeds from the Proposed Subscription to redeem the Exchangeable Notes and for general working capital of the Group. The Directors have considered various methods of fund raising and have concluded that a placement is the most feasible method at this stage.

Based on the Subscription Price, the estimated net proceeds to be raised from the Proposed Subscription (net of the estimated expenses of approximately S\$100,000 in connection with the Proposed Subscription) is approximately S\$6,920,000 (collectively, the “**Net Proceeds**”).

The Company intends to utilise the entire Net Proceeds in the following manner:

	Use of Proceeds Amount (S\$'000)	Net Proceeds Percentage of Proceeds (%)
Redemption of Notes and related accrued interest and redemption premium ⁽¹⁾		
● Redemption of Exchangeable Notes	5,000	72.3
● Payment of accrued interest	1,220	17.6
● Payment of redemption premium	200	2.9
General Working Capital	500	7.2
Total	6,920	100.0

Note:

- (1) Assuming that the Proposed Redemption is completed on or before 30 June 2016.

The amount payable by HBD for the subscription of 117,000,000 Subscription Shares will be set-off against the amount payable by the Group to HBD in relation to the Proposed Redemption.

LETTER TO SHAREHOLDERS

The Company undertakes to make periodic announcements on the use of the Net Proceeds as and when such proceeds are materially disbursed and will report on the use of the Net Proceeds in the annual report(s) of the Company, until such time when such proceeds have been fully utilised. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the Net Proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may in their absolute discretion deem fit, from time to time.

The Directors are of the opinion that after taking into consideration the present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

2.6. Financial effects of the Proposed Subscription

The financial effects of the Proposed Subscription set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Subscription. The table below sets out the financial effects of the Proposed Subscription based on and taking into account the following bases and assumptions:

- (a) the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 (“FY2015”);
- (b) the Net Proceeds from the Proposed Subscription is approximately S\$6,920,000;
- (c) the financial impact on the consolidated NTA per Share is computed based on the assumption that the Proposed Subscription was completed on 31 December 2015;
- (d) the financial impact on the LPS is computed based on the assumption that the Proposed Subscription was completed on 1 January 2015; and
- (e) the financial impact on the gearing ratio is computed based on the assumption that the Proposed Subscription was completed on 31 December 2015.

	Before completion of the Proposed Subscription	After completion of the Proposed Subscription
Share capital (S\$'000)	68,539	75,459
Number of Shares	300,295,850	417,295,850
Weighted Average Number of Shares	292,035,000	409,035,000
NTA (S\$'000)	20,418	27,338
NTA per Share (Singapore cents)	6.80	6.55
LPS (Singapore cents)	(1.13)	(1.17)
Gearing ⁽¹⁾ (%)	70.41	61.28

Note:

- (1) “Gearing” means the ratio of the Group’s total borrowings to total capital. “Total borrowings” mean the amount of liabilities arising from all the borrowings from banks and other financial institutions. “Shareholders’ funds” means the aggregate of the issued share capital, accumulated losses and other reserves of the Group. “Total capital” is computed based on Shareholders’ funds plus total borrowings.

LETTER TO SHAREHOLDERS

2.7. Proposed Subscription as an interested person transaction

HBD is a substantial shareholder of the Company, and is wholly-owned by CHF, an Executive Director and the Chief Executive Officer of the Company. Accordingly, HBD is considered an “interested person” within the meaning of Chapter 9 of the Catalyst Rules and the Proposed Subscription is an “interested person transaction” within the meaning of Chapter 9 of the Catalyst Rules.

Pursuant to the Proposed Subscription, the value of the interested person transaction entered into by HBD and the Company will amount to S\$7,020,000, which represents approximately 34.4% of the net tangible assets of the Group for FY2015.

Since the value of the interested person transaction in relation to the Proposed Subscription is more than 5% of the Group’s latest audited net tangible assets, Shareholders’ approval is therefore required for the Proposed Subscription pursuant to Rule 906(1) of the Catalyst Rules.

Pursuant to Rule 921(4)(a) of the Catalyst Rules, the Company is also required to appoint an independent financial adviser to advise the relevant Recommending Directors as to whether the Proposed Subscription is on normal commercial terms and whether the Proposed Subscription is prejudicial to the interests of the Company and its minority shareholders.

The opinion of the IFA has been set out in Section 4 of the Circular.

Save for the Proposed Subscription and interest payable under Exchangeable Notes, the Group has not entered into any interested person transaction with HBD and/or any other party for the financial year ending 31 December 2016. The current total of all interested person transactions in FY2016, comprising of accrued interest payable under Exchangeable Notes, as at the Latest Practicable Date is S\$187,450.

2.8. Shareholding effects of the Proposed Subscription

Upon the completion of the Proposed Subscription, the Company’s issued share capital will increase from 300,295,850 Shares to 417,295,850 Shares (the “**Enlarged Share Capital**”).

The shareholding effects of the Proposed Subscription to the existing substantial shareholders of the Company (including direct and deemed interest) are set out below:

Name	Number of Shares before the Proposed Subscription	As a percentage of the total share capital before the Proposed Subscription (%) ⁽¹⁾	Number of Shares after the Proposed Subscription	As a percentage of the total share capital after the Proposed Subscription (%) ⁽²⁾
CHF	46,750,000	15.57%	46,750,000	11.20%
HBD	38,250,000	12.74%	155,250,000	37.20%
CHF & HBD ⁽³⁾	85,000,000	28.31%	202,000,000	48.41%
Toh Soon Huat	33,502,200	11.16%	33,502,200	8.03%

Notes:

(1) Based on the existing share capital of the Company of 300,295,850 Shares.

(2) Based on the Enlarged Share Capital.

(3) CHF is a company director and sole shareholder of HBD and is deemed interested in the Shares held by HBD. As at the Latest Practicable Date, CHF and HBD also hold 25,904,781 bonus warrants, 2,217,391 piggyback warrants, 1,061,333 share options and 14 Exchangeable Notes, each with a principal amount of S\$250,000, and exchangeable into 58,333,333 Shares in aggregate, subject to anti-dilution and adjustment provisions.

There will be no change in control in the Company pursuant to the completion of the Proposed Subscription.

LETTER TO SHAREHOLDERS

3. THE PROPOSED WHITEWASH RESOLUTION IN RELATION TO THE PROPOSED SUBSCRIPTION

3.1. Interests of CHF and HBD

As at the Latest Practicable Date, the interests of CHF and HBD in the Company were as follows:

	No. of Shares held	% of issued share capital
CHF	46,750,000	15.57%
HBD ⁽¹⁾	38,250,000	12.74%
Total⁽²⁾	85,000,000	28.31%

Notes:

- (1) CHF is a company director and sole shareholder of HBD and is deemed interested in the Shares held by HBD.
- (2) As at the Latest Practicable Date, CHF and HBD also held 25,904,781 bonus warrants, 2,217,391 piggyback warrants, 1,061,333 share options and 14 Exchangeable Notes, each with a principal amount of S\$250,000, and exchangeable into 58,333,333 Shares in aggregate, subject to anti-dilution and adjustment provisions

3.2. Mandatory General Offer Requirement under the Code

Under Rule 14 of the Code, except with the SIC's consent, where any person acquires, whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of the Company, he is required to make a mandatory general offer for all the remaining Shares in the Company which he does not already own or control.

Pursuant to the Proposed Subscription, HBD will subscribe for and the Company will allot to HBD, an aggregate of 117,000,000 Subscription Shares (which represents 28.04% of the Enlarged Share Capital). As illustrated in Section 2.8 above, on completion of the Proposed Subscription, CHF's and HBD's collective shareholding is expected to increase to 48.41% of the Enlarged Share Capital.

In the event that the shareholdings of HBD and CHF (the "**Concert Party Group**") crosses the 30% threshold, HBD will incur an obligation to make a mandatory general offer for the Company pursuant to Rule 14 of the Code unless such obligation is waived by the SIC.

Accordingly, an application was made by the Company to the SIC for, *inter alia*, a waiver of the obligations of the Concert Party Group to make a mandatory general offer for the Company under Rule 14 of the Code as a result of HBD's subscription of the Subscription Shares under the Proposed Subscription. On 16 March 2016, the SIC granted the SIC Waiver subject to the satisfaction of the SIC Conditions set out in Section 3.4 of this Circular.

3.3. Potential Dilution

As a result of the Proposed Subscription, the collective shareholding interests of Shareholders (other than the Concert Party Group) may be diluted from 71.69% down to 51.59%. Further details of the potential dilution are set out as follows:

Before the Proposed Subscription	No. of Shares held	% of issued share capital ⁽²⁾
Concert Party Group ⁽¹⁾	85,000,000	28.31%
- CHF	46,750,000	15.57%
- HBD	38,250,000	12.74%
Other Shareholders	215,295,850	71.69%
Total	300,295,850	100.00%

LETTER TO SHAREHOLDERS

Notes:

(1) CHF is a company director and sole shareholder of HBD and is deemed interested in the Shares held by HBD. As at the Latest Practicable Date, CHF and HBD also held 25,904,781 bonus warrants, 2,217,391 piggyback warrants, 1,061,333 share options and 14 Exchangeable Notes, each with a principal amount of S\$250,000, and exchangeable into 58,333,333 Shares in aggregate, subject to anti-dilution and adjustment provisions.

(2) Based on the Existing Share Capital.

After the Proposed Subscription	No. of Shares held	% of issued share capital ⁽²⁾
Concert Party Group ⁽¹⁾	202,000,000	48.41%
– CHF	46,750,000	11.20%
– HBD	155,250,000	37.20%
Other Shareholders	215,295,850	51.59%
Total	417,295,850	100.00%

Notes:

(1) CHF is a company director and sole shareholder of HBD and is deemed interested in the Shares held by HBD. As at the Latest Practicable Date, CHF and HBD also held 25,904,781 bonus warrants, 2,217,391 piggyback warrants, 1,061,333 share options and 14 Exchangeable Notes, each with a principal amount of S\$250,000, and exchangeable into 58,333,333 Shares in aggregate, subject to anti-dilution and adjustment provisions.

(2) Based on the Enlarged Share Capital.

3.4. Whitewash Waiver

On 16 March 2016, the SIC waived the obligation for HBD to make a general offer for the Company in the event HBD and its concert parties increase their aggregate shareholding in the Company to 30% or more based on the Company's Enlarged Share Capital as a result of HBD subscribing for the Subscription Shares pursuant to the Proposed Subscription, subject to the satisfaction of the following conditions:

- (i) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of the Subscription Shares, the Proposed Whitewash Resolution by way of a poll to waive their rights to receive a general offer from HBD;
- (ii) the Proposed Whitewash Resolution is separate from other resolutions;
- (iii) HBD and its concert parties, as well as parties not independent of them abstain from voting on the Proposed Whitewash Resolution;
- (iv) HBD and its concert parties did not acquire and are not to acquire any shares in the Company or instruments convertible into and options in respect of shares in the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares in the Company which have been disclosed in this Circular):
 - (a) during the period between the date of the Announcement and the date Shareholders' Approval is obtained for the Proposed Whitewash Resolution; and
 - (b) in the 6 months prior to the date of the Announcement, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Proposed Subscription;
- (v) the Company appoints an independent financial adviser to advise its Independent Shareholders on the Proposed Whitewash Resolution;

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- (vi) the Company sets out clearly in this Circular to Shareholders:
 - (a) details of the Proposed Subscription;
 - (b) the dilution effect to existing holders of voting rights of the Company upon the issue of Subscription Shares to HBD;
 - (c) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of shares in the Company held by HBD and its concert parties as at the Latest Practicable Date;
 - (d) the number and percentage of voting rights to be issued to HBD as a result of HBD's subscription for the Subscription Shares;
 - (e) that Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from HBD at the highest price paid by HBD and its concert parties for the Company's shares in the past 6 months preceding the commencement of the offer;
- (vii) this Circular by the Company to its shareholders states that the waiver granted by SIC to HBD from the requirement to make a general offer under Rule 14 is subject to the conditions stated in sub-paragraphs (i) to (vi) above;
- (viii) the Company obtains SIC's approval in advance for those parts of this Circular that refer to the Proposed Whitewash Resolution; and
- (ix) to rely on the Proposed Whitewash Resolution, the acquisition of the Subscription Shares by HBD must be completed within 3 months of the approval of the Proposed Whitewash Resolution.

As at the Latest Practicable Date, save for the conditions set out in (i) and (ix) above, all the other SIC Conditions set out above have been satisfied.

3.5 Proposed Whitewash Resolution

Independent Shareholders are requested to vote by way of a poll, on the Proposed Whitewash Resolution (Resolution 2) set out in the Notice of EGM, waiving their rights to receive a mandatory general offer from HBD for the remaining Shares not already owned or controlled by HBD and its concert parties.

Shareholders should note that the passing of Resolutions 1, 2 and 3 as set out in Notice of EGM are inter-conditional. This means that if any one of these Proposed Resolutions is not approved, the other Resolutions would not be passed.

3.6 Advice to Independent Shareholders

Independent Shareholders should note that by voting in favour of the Proposed Whitewash Resolution (Resolution 2), they will be waiving their rights to receive a general offer for their Shares from HBD at the highest price paid or agreed to be paid by HBD and its concert parties in the six (6) months preceding the commencement of the offer which they would have otherwise been obliged to make for the Shares in accordance with Rule 14 of the Code.

4. OPINION OF INDEPENDENT FINANCIAL ADVISER

Chapter 9 of the Catalist Rules provides that, where Shareholders' approval is required for an interested person transaction, the Circular must include an opinion from an independent financial adviser as to whether or not such transaction is on normal commercial terms and if it is prejudicial to the interests of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

Pursuant to the SIC Conditions, an independent financial adviser must also be appointed by the Company to advise its Independent Shareholders on the Proposed Whitewash Resolution.

Accordingly, Provenance Capital Pte. Ltd. has been appointed as the independent financial adviser to advise the Recommending Directors in respect of the Proposed Subscription as an interested person transaction and the Proposed Whitewash Resolution.

The IFA Letter for the Proposed Subscription as an interested person transaction and the Proposed Whitewash Resolution to the Recommending Directors dated 14 April 2016 is reproduced in Appendix I of this Circular. The following is an extract from Section 7 of the IFA Letter to the Recommending Directors and should be read by Shareholders in conjunction with, and in the full context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated:

“ 7. OUR OPINION

“In arriving at our opinion in respect of the Proposed Subscription and the Proposed Whitewash Resolution, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- (a) rationale for the Proposed Subscription and the use of proceeds;*
- (b) assessment of the terms of the Proposed Subscription;*
- (c) dilution impact of the Proposed Subscription on the Independent Shareholders; and*
- (d) other relevant considerations which may have a significant bearing on our assessment of the Proposed Subscription and Proposed Whitewash Resolution.*

Overall, based on our analysis and after having considered carefully the information available to us, we are of the view that:

- (i) the Proposed Subscription as an Interested Person Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders; and***
- (ii) the Proposed Whitewash Resolution, when considered in the context of the Proposed Subscription is fair and reasonable, and is not prejudicial to the interests of the Independent Shareholders.***

We therefore advise the Recommending Directors to recommend to the Independent Shareholders to vote in favour of the Proposed Subscription and the Proposed Whitewash Resolution.”

Shareholders are advised to read and consider the IFA Letter for the Proposed Subscription as an interested person transaction and the Proposed Whitewash Resolution in its entirety as reproduced in Appendix I of this Circular and consider carefully the recommendations of the Recommending Directors for the Proposed Subscription and the Proposed Whitewash Resolution set out in Section 9 of this Circular.

5. STATEMENT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

Having considered, *inter alia*, the terms, rationale, benefits and financial effects of the Proposed Subscription, as well as the advice and opinion of the IFA, the Audit and Risk Management Committee concurs with the opinion of the IFA and is of the view that the Proposed Subscription is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

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6. PROPOSED REDEMPTION OF THE EXCHANGEABLE NOTES

6.1. Introduction

On 29 January 2016, the Company announced that, *inter alia*, it is proposing to redeem all existing 20 Exchangeable Notes (the “**Proposed Redemption**”) by using part of the proceeds from the Proposed Subscription.

6.2. Information on the Exchangeable Notes

The principal terms of the Exchangeable Notes are as follow:

Size of Issue : The aggregated principal amount of the Exchangeable Notes is up to S\$5 million in certificates with a denomination of S\$250,000 per unit (“**Face Value**”).

Issue Date : 21 February 2014.

Interest rate : The Exchangeable Notes shall bear simple interest from the Issue Date at the rate of 18% per annum, as calculated on an annual basis assuming a 365-day year, payable in cash on the anniversary date of the Issue Date until the Maturity Date (as defined below).

The Exchangeable Notes shall cease to bear interest upon their respective exchange into New Exchanged Shares (as defined herein) or conversion into New Converted Shares (as defined herein), as the case may be, and the interest payable on the Exchangeable Notes that have been exchanged or converted, as the case may be, shall be calculated up to, but excluding, the date of exchange or conversion.

Maturity Date : The Exchangeable Notes have a term of three (3) years and will mature on the third anniversary of the date of completion of issue of the Exchangeable Notes (“**Maturity Date**”).

Unless previously exchanged or converted, Singapore Construction & Development Pte. Ltd. shall redeem each Note at 106% of the Face Value upon the Maturity Date.

The Company shall, at least one (1) month prior to the Maturity Date, issue an announcement notifying Shareholders of the same and shall despatch to all Noteholders a notice of the Maturity Date.

Security : The Exchangeable Notes are secured by:

- (a) a registered charge over all issued and outstanding ordinary shares of Singapore Construction & Development Pte. Ltd.; and
- (b) a negative pledge of all fixed and floating assets of Singapore Construction & Development Pte. Ltd. (“**Negative Pledge**”).

For the avoidance of doubt, the Noteholders shall not have a charge over any or all of the assets of the Company in respect of the Exchangeable Notes.

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- Redemption** : Unless previously exchanged or converted, Singapore Construction & Development Pte. Ltd. has a right but not an obligation to redeem all or a portion of (being S\$250,000 in principal amount or an integral multiple thereof) the Exchangeable Notes on the first anniversary or the second anniversary of the Issue Date ("**Redemption**").
- Redemption Notice** : Singapore Construction & Development Pte. Ltd. shall provide a minimum of five (5) Business Days' written notice of Redemption (which notice will be irrevocable) to the Noteholders.
- Redemption Value** : In the event of a Redemption by Singapore Construction & Development Pte. Ltd. on the first anniversary of the Issue Date of the Exchangeable Notes, Singapore Construction & Development Pte. Ltd. shall redeem the Exchangeable Notes at 102% of the Face Value.
- In the event of a Redemption by Singapore Construction & Development Pte. Ltd. on the second anniversary of the Issue Date of the Exchangeable Notes, Singapore Construction & Development Pte. Ltd. shall redeem the Exchangeable Notes at 104% of the Face Value.
- Exchange / Conversion Terms** : The Noteholders shall, unless previously redeemed and cancelled as provided herein, have the right but not an obligation to:
- (i) exchange any part of their total holdings of Exchangeable Notes, with the condition that such exchange be in whole units, into ordinary shares of the Company (the "**New Exchanged Shares**") (the "**Shares Exchange**") based on the Exchange Price, at any time after a period of six (6) months from the Issue Date and up to the close of business on the Business Day immediately preceding the Maturity Date (the "**Exchange Period**"). Fractions of a New Exchanged Share will not be issued on exchange; or
 - (ii) convert any part of their total holdings of Exchangeable Notes, with the condition that such conversion be in whole units, into new ordinary shares of Singapore Construction & Development Pte. Ltd. (the "**New Converted Shares**") (the "**Shares Conversion**"), based on the conversion formula below and at any time after the Issue Date and up to the close of business on the Business Day immediately preceding the Maturity Date (the "**Conversion Period**"). Subject as provided above, fractions of a New Converted Share will not be issued on conversion.

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Exchange Price : As at the Latest Practicable Date, one (1) unit of Notes (denominated face value of S\$250,000 each) shall be exchangeable into 4,166,666 Shares at S\$0.06 each.

Conversion : The number of New Converted Shares to be issued and allotted by Singapore Construction & Development Pte. Ltd. when the Exchangeable Notes are converted would result in the Noteholder holding an equity interest in the Singapore Construction & Development Pte. Ltd. that is equivalent to the ratio of the Face Value of the Exchangeable Notes (denominated face value of S\$250,000 each) divided by the enlarged share capital of Singapore Construction & Development Pte. Ltd. as at the date of the Conversion Notice (the “**Conversion Notice Date**”). For the avoidance of doubt, the enlarged share capital of Singapore Construction & Development Pte. Ltd. shall include the New Converted Shares to be issued to the Noteholder pursuant to such conversion.

In the current context, “**Conversion Notice Date**” means the date the Noteholder submits to Singapore Construction & Development Pte. Ltd. the notice of conversion to convert his/her Exchangeable Notes(s) into New Converted Shares.

Modification and Waiver : Any modification by the Company of the Exchangeable Notes or any waiver or authorisation of any breach or proposed breach by the Company of the Exchangeable Notes is subject to the following:

- (i) written approval of holders of 51% or more of the aggregate principal amount of Exchangeable Notes then outstanding; and
- (ii) approval of the Shareholders to be obtained at a general meeting of Company, except where such modification are made pursuant to the terms and conditions of the Exchangeable Notes.

Shareholders approved the terms and conditions of the Exchangeable Notes in an extraordinary general meeting on 20 November 2013 (“**2013 EGM**”). In the 2013 EGM, Shareholders also approved the issuance of ten (10) Exchangeable Notes to CHF and two (2) Exchangeable Notes to Mr Teh Wing Kwan (“**TWK**”).

As at the Latest Practicable Date, 18 Exchangeable Notes were held, directly or indirectly, by the following Directors / Substantial Shareholders of the Company:

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Name of Noteholder	Number of Exchangeable Notes held / Aggregate Principal Amount
Hengfai Business Development Pte. Ltd. ("HBD") ⁽¹⁾ <i>(a company which is wholly owned by Mr Chan Heng Fai, the Executive Director and Chief Executive Officer of the Company)</i>	Fourteen (14) / S\$3,500,000
Mr Teh Wing Kwan <i>(Non-Executive Director of the Company)</i>	Two (2) / S\$500,000
Dr Toh Soon Huat <i>(Substantial Shareholder of the Company)</i>	Two (2) / S\$500,000

Note:

- (1) Singapore Construction & Development Pte. Ltd. issued ten (10) Exchangeable Notes to HBD on 21 February 2014. HBD subsequently acquired four (4) Exchangeable Notes.

6.3. Rationale for the Proposed Redemption

The Exchangeable Notes will mature on 21 February 2017 and the Company is proposing an early redemption of the Exchangeable Notes (together with accrued interest and applicable redemption premium) to strengthen the balance sheet of the Company, to save on the interest expense and to reduce the gearing of the Company. The amount of potential savings arising from early redemption of the Exchangeable Notes is approximately S\$580,000 in interest and a further S\$100,000 from redemption premium assuming that the redemption of the Exchangeable Notes is completed by 30 June 2016.

6.4. The Proposed Redemption

Pursuant to the terms and conditions of the Exchangeable Notes, the Proposed Redemption will constitute a modification by the Company of the terms and conditions of the Exchangeable Notes, which will require (i) the written approval of holders of 51% or more of the aggregate principal amount of the Exchangeable Notes currently outstanding; and (ii) the approval of the Shareholders of the Company. As at the Latest Practicable Date, the Company had secured the written approval of holders of 51% or more of the Exchangeable Notes currently outstanding. The Company is seeking approval of the Shareholders in relation to the Proposed Redemption at the EGM to be convened.

The Company will proceed with the Proposed Redemption upon completion of the Proposed Subscription.

As HBD and TWK are Noteholders of the Exchangeable Notes, CHF, HBD and TWK shall abstain from voting on the resolution approving the Proposed Redemption.

6.5. Financial Effects of the Proposed Redemption

The financial effects of the Proposed Redemption set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Redemption. The table below sets out the financial effects of the Proposed Redemption based on and taking into account the following bases and assumptions:

- (a) the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 ("FY2015");
- (b) the Net Proceeds from the Proposed Subscription is approximately S\$6,920,000;

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- (c) the financial impact on the consolidated NTA per Share is computed based on the assumption that the Proposed Subscription and the Proposed Redemption were completed on 31 December 2015;
- (d) the financial impact on the LPS is computed based on the assumption that the Proposed Subscription and Proposed Redemption were completed on 1 January 2015; and
- (e) the financial impact on the gearing ratio is computed based on the assumption that the Proposed Subscription and the Proposed Redemption were completed on 31 December 2015.

	Before completion of the Proposed Redemption	After completion of the Proposed Redemption
Share capital (S\$'000)	68,539	75,459
Number of Shares	300,295,850	417,295,850
Weighted Average Number of Shares	292,035,000	409,035,000
NTA (S\$'000)	20,418	27,338
NTA per Share (Singapore cents)	6.80	6.55
LPS (Singapore cents)	(1.13)	(1.17)
Gearing ⁽¹⁾ (%)	70.41	61.28

Note:

- (1) "Gearing" means the ratio of the Group's total borrowings to total capital. "Total borrowings" mean the amount of liabilities arising from all the borrowings from banks and other financial institutions. "Shareholders' funds" means the aggregate of the issued share capital, accumulated losses and other reserves of the Group. "Total capital" is computed based on Shareholders' funds plus total borrowings.

7. ABSTENTION FROM VOTING

Pursuant to Rule 812(2) of the Catalist Rules, the Code and the SIC Conditions, the Concert Party Group (namely CHF and HBD) and their concert parties and parties not independent of the Concert Party Group shall abstain, and shall procure their associates to abstain, from voting on resolutions approving the Proposed Subscription and the Proposed Whitewash Resolution. TWK had also informed the Company that he shall abstain, and shall procure his associates to abstain from voting on resolutions approving the Proposed Subscription and the Proposed Whitewash Resolution. The Concert Party Group, TWK and their associates will also refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of Resolution 1 (in relation to the Proposed Subscription) and Resolution 2 (in respect of the Proposed Whitewash Resolution) unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the said resolution.

As HBD and TWK are Noteholders of the Exchangeable Notes, CHF, HBD (which is an associate of CHF), TWK, their concert parties and parties not independent of them shall abstain, and shall procure their associates to abstain, from voting on the resolution approving the Proposed Redemption. CHF, HBD, TWK and their associates will also refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of Resolution 3 (in relation to the Proposed Redemption) unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for the said resolution.

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8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Shares of the Company as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors						
Chan Heng Fai ⁽²⁾	46,750,000	15.57	38,250,000	12.74	85,000,000	28.31
Chan Tung Moe ⁽³⁾	—	—	—	—	—	—
Basil Chan	—	—	—	—	—	—
Teh Wing Kwan	91,000	0.03	—	—	91,000	0.03
Chan Yu Meng	—	—	—	—	—	—
Tao Yeoh Chi	—	—	—	—	—	—
Cui Peng	—	—	500	negligible	500	negligible
Lum Kan Fai Vincent	—	—	—	—	—	—
Substantial Shareholders (other than Directors)						
Hengfai Business Development Pte. Ltd. (formerly known as Hengfai Strategic Investment Pte. Ltd.)	38,250,000	12.74	—	—	38,250,000	12.74
Toh Soon Huat	8,750,000	2.91	24,752,200	8.24	33,502,200	11.16

Notes:

- (1) Based on the Existing Share Capital.
- (2) Mr Chan Heng Fai is a company director and sole shareholder of HBD and is deemed interested in the Shares held by HBD.
- (3) Mr Chan Tung Moe is the son of Mr Chan Heng Fai.

The interests of the Directors and Substantial Shareholders in other securities of the Company as at the Latest Practicable Date were as follows:

	No. of Bonus warrants	No. of Piggyback warrants	No. of Employee Share options
Directors			
Chan Heng Fai	8,780,434	—	1,061,333
Chan Tung Moe	—	—	—
Basil Chan	—	—	796,000
Teh Wing Kwan	5,434	—	796,000
Chan Yu Meng	—	—	530,667
Tao Yeoh Chi	—	—	530,667
Cui Peng	295,978	—	—
Lum Kan Fai Vincent	—	—	—
Substantial Shareholder (other than Directors)			
Hengfai Business Development Pte. Ltd. (formerly known as Hengfai Strategic Investment Pte. Ltd.) ⁽¹⁾	17,124,347	2,217,391	—

Note:

- (1) Chan Heng Fai is a company director and sole shareholder of HBD and is deemed interested in its interests in the Company.

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HBD and TWK also hold exchangeable notes issued by Singapore Construction & Development Pte. Ltd. which may be exchangeable into Shares or converted into shares of Singapore Construction & Development Pte. Ltd. in the principal amounts of S\$3,500,000 and S\$500,000 respectively. For further details on the exchangeable notes, please refer to the Diversification Circular and the announcements of the Company dated 30 January 2014 and 24 February 2014.

9. DIRECTORS' RECOMMENDATIONS

9.1. Resolution 1: The Proposed Subscription (as Ordinary Resolution)

The Recommending Directors in respect of the Proposed Subscription, having considered, *inter alia*, the rationale for the Proposed Subscription as set out in Section 2 of this Circular, are of the opinion that the Proposed Subscription is beneficial to, and in the best interest of the Company. Accordingly, they recommend that the Shareholders vote in favour of the ordinary resolution relating thereto to be proposed at the EGM.

9.2. Resolution 2: The Proposed Whitewash Resolution (as Ordinary Resolution)

The Recommending Directors in respect of the Proposed Whitewash Resolution, having considered, *inter alia*, the rationale for the Proposed Subscription as set out in Section 2 of this Circular and the advice of the IFA as set out in the IFA Letter for the Proposed Whitewash Resolution in Appendix I of this Circular, are of the opinion that the Proposed Whitewash Resolution is in the interests of the Company and is not prejudicial to the interests of the Independent Shareholders. Accordingly, they recommend that the Shareholders vote in favour of the ordinary resolution relating thereto to be proposed at the EGM. The Independent Directors wish to add that this resolution is an ordinary resolution and requires a majority of the Independent Shareholders present and voting at the EGM by way of a poll to approve the same.

9.3. Resolution 3: The Proposed Redemption (as Ordinary Resolution)

The Recommending Directors in respect of the Proposed Redemption, having considered, *inter alia*, the rationale for the Proposed Redemption as set out in Section 6 of this Circular, are of the opinion that the Proposed Redemption is beneficial to, and in the best interest of the Company. Accordingly, they recommend that the Shareholders vote in favour of the ordinary resolution relating thereto to be proposed at the EGM.

10. EXTRAORDINARY GENERAL MEETING

An EGM will be held at Pan Pacific Singapore, Ocean 6, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 29 April 2016 at 11.30 a.m (or soon thereafter following the conclusion or adjournment of the Extraordinary General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place, or any adjournment thereof) for the purpose of considering, and, if thought fit, passing, with or without any modifications, the Proposed Resolutions set out in the Notice of EGM on page 47 of this Circular.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend on their behalf are requested to complete and sign the Proxy Form which is attached to this Circular in accordance with the instructions printed thereon and return it to the Company's registered office at 10 Winstedt Road, Block A #02-02 Singapore 227977 as soon as possible and in any event so as to arrive at the Company's registered office no later than 11.30 a.m. on 27 April 2016. The completion and return of the Proxy Form by a Shareholder will not preclude him from attending the EGM and voting in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

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12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

13. CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter for the Proposed Subscription and the Proposed Whitewash Resolution dated 14 April 2016 and all references thereto, in the form and context in which they appear in this Circular.

14. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 10 Winstedt Road, Block A #02-02 Singapore 227977 during normal business hours from the date of this Circular up to and including the date of the EGM:-

- (a) the Annual Report of the Company for FY2015;
- (b) the Constitution of the Company;
- (c) the Subscription Agreement;
- (d) the IFA Letter for the Proposed Subscription and the Proposed Whitewash Resolution; and
- (e) the letter of consent by the IFA.

Yours faithfully
For and behalf of the Board of Directors of
Singapore eDevelopment Limited

Chan Heng Fai
Executive Director and Chief Executive Officer

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

14 April 2016

To: The Recommending Directors of Singapore eDevelopment Limited
(deemed to be independent in respect of the Proposed Subscription and the Proposed Whitewash Resolution)

Mr Basil Chan	(Independent and Non-Executive Chairman)
Mr Cui Peng	(Executive Director)
Mr Vincent Lum Kan Fai	(Executive Director)
Mr Tao Yeoh Chi	(Independent Director)
Mr Chan Yu Meng	(Independent Director)

Dear Sirs,

- (1) **THE PROPOSED SUBSCRIPTION OF 117,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE SUBSCRIPTION PRICE OF S\$0.06 PER EACH SUBSCRIPTION SHARE BY HENGFAI BUSINESS DEVELOPMENT PTE. LTD., AN ASSOCIATE OF MR CHAN HENG FAI, A DIRECTOR AND CONTROLLING SHAREHOLDER OF THE COMPANY; AND**
- (2) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER OF THE RIGHTS OF THE INDEPENDENT SHAREHOLDERS OF THE COMPANY TO RECEIVE A MANDATORY GENERAL OFFER FROM HENGFAI BUSINESS DEVELOPMENT PTE. LTD. FOR ALL THE ISSUED SHARES IN THE CAPITAL OF THE COMPANY NOT ALREADY OWNED OR CONTROLLED BY THE CONCERT PARTY GROUP AS A RESULT OF THE PROPOSED SUBSCRIPTION**

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of the Company ("**Shareholders**") dated 14 April 2016 ("**Circular**").*

1. INTRODUCTION

On 29 January 2016 ("**Announcement Date**"), the board of Directors ("**Board**") of Singapore eDevelopment Limited ("**Company**", together with its subsidiaries, "**Group**") announced ("**Announcement**") that the Company had, on the same day, entered into a subscription agreement ("**Subscription Agreement**") with Hengfai Business Development Pte. Ltd. ("**HBD**") to allot and issue to HBD 117,000,000 new ordinary shares in the capital of the Company ("**Subscription Shares**") at the issue price of S\$0.06 ("**Subscription Price**") for each Subscription Share, for an aggregate consideration of S\$7.02 million ("**Proposed Subscription**").

As at the Announcement Date, the Company has in issue a total of 300,295,850 ordinary shares ("**Shares**"). The 117,000,000 Subscription Shares represent approximately 39.0% of the existing number of issued Shares and 28.0% of the enlarged issued Shares after the completion of the Proposed Subscription.

HBD is a Singapore incorporated company in which Mr Chan Heng Fai ("**Mr Chan**") is the sole shareholder and director. As at the Announcement Date, HBD owns 38,250,000 Shares, representing approximately 12.7% of the total number of issued Shares. Mr Chan is the Executive Director, Chief Executive Officer and the controlling shareholder of the Company. As at the Announcement Date, Mr Chan directly owns 46,750,000 Shares, representing approximately 15.6% of the total number of issued Shares. Mr Chan is deemed as an associate

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of HBD and a concert party of HBD. Together, Mr Chan and HBD have an aggregate interest of 85,000,000 Shares, representing approximately 28.3% of the total number of issued Shares.

The Company is proposing the Proposed Subscription to, *inter alia*, fund the redemption ("**Proposed Redemption**") of all existing twenty (20) 18.0% exchangeable notes of S\$5.0 million in principal amount of the Company's wholly-owned subsidiary, Singapore Construction & Development Pte. Ltd. ("**SCDPL**"), which are unlisted and are exchangeable into new shares of SCDPL or new Shares of the Company at any time before their maturity date of 21 February 2017 ("**Notes**"). The Company is of the view that the early redemption of the Notes (together with accrued interest and the applicable redemption premium) will strengthen the balance sheet of the Company, save on the interest expense and reduce the gearing of the Company. The amount of potential savings arising from the early redemption of the Notes is approximately S\$580,000 in interest and a further S\$100,000 from the redemption premium assuming that the redemption of the Notes is completed by 30 June 2016. The Proposed Redemption is conditional upon, *inter alia*, the approval of Shareholders at an extraordinary general meeting ("**EGM**") scheduled to be convened on 29 April 2016 immediately following the conclusion of the forthcoming annual general meeting ("**AGM**") of the Company on the same day.

Interested Person Transaction

HBD is considered an interested person ("**Interested Person**") within the meaning of Chapter 9 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") and the Proposed Subscription is deemed an interested person transaction ("**Interested Person Transaction**") within the meaning of Chapter 9 of the Catalyst Rules.

In accordance with Chapter 9 of the Listing Manual, shareholders' approval must be obtained for any Interested Person Transaction of a value equal to or more than 5.0% of the Group's latest audited net tangible assets ("**NTA**") or when aggregated with other Interested Person Transactions with the same Interested Person during the same financial period, the value is equal to or more than 5.0% of the Group's latest audited NTA. In obtaining such approval, the Interested Person and its associates are required to abstain from voting on the resolution approving the Interested Person Transaction.

As at the Latest Practicable Date, the Company is scheduling to despatch the annual report of the Company (including the audited financial statements of the Group) ("**Annual Report**") for the financial year ended 31 December 2015 ("**FY2015**") to be adopted by Shareholders at the forthcoming AGM on 29 April 2016. Based on the Group's audited accounts for FY2015, the Proposed Subscription represents approximately 34.4% of the Group's NTA attributable to owners of the Company of S\$20.42 million as at 31 December 2015. Accordingly, the Proposed Subscription as an Interested Person Transaction is subject to the approval of the independent shareholders of the Company ("**Independent Shareholders**") at the EGM to be convened on 29 April 2016. Pursuant to Rule 921(4)(a) of the Catalyst Rules, the Company is also required to appoint an independent financial adviser ("**IFA**") to advise the Directors who are deemed to be independent with respect to the Proposed Subscription ("**Recommending Directors**") as to whether the Proposed Subscription is on normal commercial terms and whether the Proposed Subscription is prejudicial to the interests of the Company and its Independent Shareholders.

In addition, the Proposed Subscription is subject to, *inter alia*, the approval of the Independent Shareholders at the EGM in accordance with Rules 804, 805 and 812 of the Catalyst Rules.

Whitewash Waiver

As a result of the Proposed Subscription, HBD will increase its direct shareholding interest in the Company to 155,250,000 Shares, representing 37.2% of the enlarged issued Shares totalling 417,295,800 Shares. Collectively, HBD and its concert parties ("**Concert Party Group**") would increase its combined shareholding interest in the Company to 202,000,000 Shares, representing 48.4% of the enlarged issued Shares.

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Pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (“**Code**”), where (a) any person who acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carrying 30.0% or more of the voting rights in the company; or (b) any person who together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights in the company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0% voting rights (“**Mandatory Offer Threshold**”), he is required to make a mandatory general offer for all the shares in the Company which he does not already own or control (“**Mandatory Offer**”).

The allotment and issuance of the Subscription Shares to HBD will result in HBD and its concert parties increasing their shareholding interests in the Company to more than 30.0% of the voting rights of the Company, thereby resulting in HBD incurring an obligation to make a Mandatory Offer for the remaining Shares not already owned or controlled by HBD and its concert parties. The Company had sought an approval from the Securities Industry Council (“**SIC**”) to grant a whitewash waiver to HBD and its concert parties (“**Whitewash Waiver**”) from complying with the obligation of the Mandatory Offer.

On 17 March 2016, the Company announced that it had, on 16 March 2016, obtained the approval from the SIC for the Whitewash Waiver in relation to the Proposed Subscription. The SIC’s approval for the Whitewash Waiver is subject to the satisfaction of certain conditions as set out in Section 3.4 of the Circular, including, *inter alia*, (i) the approval of the proposed whitewash resolution (“**Proposed Whitewash Resolution**”) by the majority of the Independent Shareholders voting by way of a poll at the EGM; and (ii) the appointment of an IFA to advise the Independent Shareholders on the Proposed Whitewash Resolution.

IFA

Accordingly, Provenance Capital Pte. Ltd. (“**Provenance Capital**”) has been appointed by the Company as the IFA to advise the Recommending Directors in respect of (a) the Proposed Subscription as an Interested Person Transaction and (b) the Proposed Whitewash Resolution.

Of the eight Directors on the Board, Mr Chan Tung Moe, who is the Executive Director and the son of Mr Chan, and Mr Chan, will abstain from making any recommendation as Directors on the Proposed Subscription and the Proposed Whitewash Resolution being associates and/or concert parties to HBD. Mr Teh Wing Kwan, a Non-Executive Director, has abstained from making any recommendation as a Director on the Proposed Subscription and the Proposed Whitewash Resolution in view of his interest in 2 out of the 20 Notes, as the proceeds of the Proposed Subscription are intended to be used for the Proposed Redemption.

The remaining Directors, namely, Mr Basil Chan, Mr Cui Peng, Mr Vincent Lum Kan Fai, Mr Tao Yeoh Chi and Mr Chan Yu Meng are deemed to be independent and are the Recommending Directors with respect to the Proposed Subscription as an Interested Person Transaction and the Proposed Whitewash Resolution.

The passing of the resolutions for the Proposed Subscription, the Proposed Whitewash Resolution and the Proposed Redemption are inter-conditional upon one another. HBD, its associates and Mr Teh Wing Kwan, will, as shareholders of the Company, abstain from voting on the resolutions for the Proposed Subscription, the Proposed Whitewash Resolution and the Proposed Redemption.

This letter (“**Letter**”) is addressed to the Recommending Directors and sets out, *inter alia*, our evaluation and recommendation on the Proposed Subscription as an Interested Person Transaction and the Proposed Whitewash Resolution. This Letter forms part of the Circular to Shareholders which provides, *inter alia*, the details of the Proposed Subscription and the Proposed Whitewash Resolution and the recommendation of the Recommending Directors.

2. TERMS OF REFERENCE

We have been appointed as the IFA to advise the Recommending Directors in respect of their recommendations to the Independent Shareholders in relation to the Proposed Subscription as an Interested Person Transaction and the Proposed Whitewash Resolution. We are not and were not involved or responsible, in any aspect, of the negotiations in relation to the Proposed Subscription nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Subscription or to obtain the approval of the Independent Shareholders for the Proposed Subscription and the Proposed Whitewash Resolution, and we do not, by this Letter, warrant the merits of the Proposed Subscription and/or the Proposed Whitewash Resolution other than to express an opinion on:

- (a) whether the Proposed Subscription as an Interested Person Transaction is on normal commercial terms and not prejudicial to the interests of the Company and its Independent Shareholders; and
- (b) whether the Proposed Whitewash Resolution (in relation to the Proposed Subscription) is fair and reasonable and not prejudicial to the interests of the Independent Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Proposed Subscription and/or the Proposed Whitewash Resolution or to compare its relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the sole responsibility of the Directors and/or the management of the Company (“**Management**”) although we may draw upon the views of the Directors and/or the Management or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors and Management and/or their professional advisers and have examined and relied on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and the professional advisers of the Company, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries, to the best of their respective knowledge and belief, information and representations as provided by the Directors and Management are accurate and have confirmed to us that, upon making all reasonable enquiries and to their best knowledge and abilities, all material information available to them in connection with the Proposed Subscription and the Proposed Whitewash Resolution, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Subscription and the Proposed Whitewash Resolution, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and judgment as were deemed necessary and have found no reason to doubt the accuracy or reliability of the information and representations.

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Save as disclosed, we would like to highlight that all information relating to the Proposed Subscription and the Proposed Whitewash Resolution, the Company and/or the Group that we have relied upon in arriving at our recommendation or advice has been obtained from publicly available information and/or from the Directors and the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company and/or the Group at any time or as at 6 April 2016, being the Latest Practicable Date as referred to in the Circular.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Subscription. Such review or comment, if any, remains the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Code and/or the Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our advice as set out in this Letter. We have not obtained from the Company and/or the Group any projection of the future performance including financial performance of the Company and/or the Group and further, we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view herein as to the prices at which the Shares may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after the completion of the Proposed Subscription or if the Proposed Subscription is not effected.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group, (including without limitation, property, plant and equipment) and we have not been furnished with any such evaluation or appraisal.

Our view as set out in this Letter is based upon the market, economic, industry, monetary and other conditions (if applicable) prevailing as of the Latest Practicable Date and the information provided and representations provided to us as of the Latest Practicable Date. In arriving at our view, with the consent of the Directors or the Company, we have taken into account certain other factors and have been required to make certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to the Proposed Subscription and/or the Proposed Whitewash Resolution which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendations, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Independent Shareholder or any specific group of the Independent Shareholders. As each Independent Shareholder would have different investment objectives and profiles, we recommend that any individual Independent Shareholder or group of Independent Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any purposes other than for the purposes of the Shareholders' resolution in relation to the Proposed Whitewash Resolution at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

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We have prepared this Letter for the use of the Recommending Directors in connection with their consideration of the Proposed Subscription and Proposed Whitewash Resolution and their advice to the Independent Shareholders arising thereof. The recommendations made to the Independent Shareholders in relation to the Proposed Subscription and the Proposed Whitewash Resolution remain the sole responsibility of the Recommending Directors.

Our opinion on the Proposed Subscription and our recommendation in relation to the Proposed Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.

3. INFORMATION ON THE COMPANY AND THE GROUP

3.1 Overview

The Company was incorporated on 9 September 2009 and listed on the Catalist of the SGX-ST in July 2010 when it was formerly known as CCM Group Limited. On 14 April 2014, Mr Chan took over as Chief Executive Officer of the Company, embarked on various fund raising exercises and restructuring of the Group including the disposal of the Group's legacy construction business, and changed the name of the Company to Singapore eDevelopment Limited on 5 August 2014.

Together with its new corporate identity, the Group unveiled its twin-engine growth strategy in (i) international property development; and (ii) information technology, through its investment business which pertains to the investments in securities of companies with growth potential which may include, among others, equities, convertible securities, bonds and funds ("**Investment Business**").

At an EGM held on 10 December 2015, the Company had obtained Shareholders' approval to further expand the scope of its Investment Business to include, amongst others, unquoted securities, futures, commodities, derivatives, REITs, private equity funds, hedge funds and funds of funds.

The Company had also sought Shareholders' approval for a proposed rights cum warrants issue at the above EGM and the related proposed whitewash resolution for Mr Chan and HBD arising from their proposed subscription of the rights shares cum warrants. However, as the requisite Shareholders' approval was not obtained for the proposed rights cum warrants issue and the proposed whitewash resolution, the proposed rights cum warrants issue was aborted.

The Company is presently proposing the Proposed Subscription to raise fresh equity for the Group and is also seeking the Proposed Whitewash Resolution for HBD and its concert parties, being a subscriber of the Subscription Shares.

In this regard, we would like to mention that we had acted as the IFA for the proposed whitewash resolution in connection with the above proposed rights cum warrants issue and we are presently acting as the IFA for the Proposed Whitewash Resolution in connection with the Proposed Subscription. Our IFA opinion for the whitewash waiver in connection with the proposed rights cum warrants issue is set out in our letter as Appendix II to the circular to Shareholders dated 16 November 2015 ("**Nov 2015 IFA Letter**").

As at the Latest Practicable Date, the Company had an issued and paid-up share capital comprising 300,295,850 Shares. Based on the last transacted Share price of S\$0.031 on 5 April 2016 (as there were no trades done on the Latest Practicable Date) and the outstanding Shares as at the Latest Practicable Date, the market capitalisation of the Company was approximately S\$9.31 million.

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3.2 Updates

We have set out in Section 3 of our Nov 2015 IFA Letter highlights of the past fund raising activities by the Group over the last three years from 2013 to 2015 up to the proposed rights cum warrants issue. As mentioned above, the proposed rights cum warrants issue was eventually aborted as the Company did not obtain the requisite level of Shareholders' support to proceed with the fund raising exercise.

As a recap, the Company had carried out the following:

- (a) two share placement exercises in April and June 2013;
- (b) the issue of the Bonus Warrants and Piggyback Warrants in January 2014 (as defined in our Nov 2015 IFA Letter);
- (c) the issue of the Notes in February 2014;
- (d) the 2014 Rights Issue in September 2014 (as defined in our Nov 2015 IFA Letter);
- (e) the issue of profit participating private bond ("**Bond**") to Ms Camielle Fan in May 2015;
- (f) the share placement exercise in July 2015; and
- (g) the extension of the interest-free loan facility from HBD ("**HBD Loan**") in August 2015.

In January 2016, the Company announced the Proposed Subscription which it intends to utilise to redeem the outstanding Notes in full.

On 21 March 2016, the Company announced that it had entered into a supplemental agreement to allow the Company to make partial redemption of the Bond. This has resulted in the Company redeeming US\$1.0 million out of the US\$2.0 million principal amount of the Bond.

The HBD Loan is repayable within six months from the date of its first disbursement and may be extended for a further period of six months. As at the Latest Practicable Date, the total amount drawn down from the HBD Loan facility was US\$10.5 million (or S\$14.86 million).

HBD had, on 4 April 2016, provided a letter of financial support ("**Financial Support Letter**"), pursuant to which HBD had (i) undertaken to the Company that it will not demand repayment of the HBD Loan, except when the cash flows of the Group permit repayment and such repayment will not adversely affect the ability of the Group to meet its liabilities as and when they fall due; and (ii) agreed to provide financial and other supports of up to S\$7.5 million at comparable market terms to the Company, subject to the terms and conditions of the Financial Support Letter.

3.4 Key financial information of the Group

Financial performance of the Group

The audited financial performance of the Group for the last three financial years ended 31 December, namely FY2013, FY2014 and FY2015, are as follows:

S\$'000	FY2013 (restated)	FY2014 (restated)	FY2015
Revenue	-	-	4,337
Gross profit	-	(41)	746
Other income	3	466	6,366
Loss from continuing operations after income tax	(998)	(7,655)	(3,572)
Profit/(Loss) from discontinued operation, net of tax ⁽¹⁾	(21,422)	(13,088)	186
Loss for the year	(22,420)	(20,743)	(3,386)

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S\$'000	FY2013 (restated)	FY2014 (restated)	FY2015
Attributable to owners of the Company			
– Loss from continuing operations, net of tax	(998)	(7,642)	(3,480)
– Profit/(Loss) from discontinued operation, net of tax	(21,422)	(13,088)	186
	(22,420)	(20,730)	(3,294)
Non-controlling interests			
– (Loss) from continuing operations, net of tax	-	(13)	(92)
	(22,420)	(20,743)	(3,386)

Source: FY2013 restated financial information is extracted from the Company's Annual Report for FY2014 and the FY2014 restated financial information and audited results for FY2015 are extracted from the Company's Annual Report for FY2015.

Note:

- (1) During 2014, the Group decided to discontinue its construction business and reported it as part of discontinued operation from FY2014. FY2013 results were restated accordingly.

As mentioned in Section 3 of our Nov 2015 IFA Letter, the Group had no revenue and reported losses amounting to S\$22.42 million and S\$20.74 million for FY2013 and FY2014, respectively due mainly to the loss from discontinued operation of its legacy construction activities in Singapore.

For FY2015, the Group recorded revenue of S\$4.34 million from its property development business, while the information technology and investment businesses have yet to generate any revenue. However, the Group continued to report a loss after tax from continuing operations albeit at a lower loss of S\$3.57 million due mainly to higher other income of S\$6.37 million. Other income in FY2015 was principally due to a gain of S\$4.8 million from fair-value adjustment of the derivative for the exchange rights held by holders of the Notes and an unrealised foreign exchange gain of S\$1.5 million arising from the appreciation of the US\$ from the US\$ based loans to the Group's property development operations in the United States.

Financial position of the Group as at 31 December 2015

The financial position of the Group as at 31 December 2015 is as follows:

S\$'000	Audited As at 31 Dec 2015
<u>Non-current assets</u>	
Property, plant and equipment	358
Investment in associates	277
	635
<u>Current assets</u>	
Trade and other receivables	6,300
Prepaid operating expenses	211
Properties under development	52,565
Properties held for sale	1,819
Investment securities	21
Bank deposits pledged	3,752
Cash and cash equivalents	7,123
	71,791
<u>Current liabilities</u>	
Trade and other payables	14,755
Provision for claims	812
Derivatives	1,036
Loans and borrowings	28,473
	45,076
<u>Non-current liabilities</u>	
Loans and borrowings	3,500
	3,500
Net assets	23,850

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S\$'000	Audited As at 31 Dec 2015
Equity	
Share capital	68,521
Capital reserve	500
Employee share option reserve	549
Foreign currency translation reserve	(69)
Accumulated losses	(49,083)
Equity attributable to owners of the Company	20,418
Non-controlling interests	3,432
Total equity	23,850
No. of outstanding Shares (excluding Treasury Shares)	300,295,850
NTA per Share	S\$0.068

Source: The Company's Annual Report for FY2015

As at 31 December 2015, the assets of the Group totalling S\$72.4 million comprised mainly properties under development of S\$52.6 million (72.6% of total assets), and bank deposits and cash balances of S\$10.9 million (15.0% of total assets).

The total liabilities of the Group of S\$48.6 million comprised mainly loans and borrowings (including the derivative which is fair-valued at the reporting date) totalling S\$33.0 million (68.0% of total liabilities). The loans and borrowings as at 31 December 2015 include:

- (a) the HBD Loan of S\$14.4 million in respect of the interest-free loan of US\$10.5 million;
- (b) the Notes (including the derivatives) of S\$4.5 million;
- (c) construction and related loans for the property development business totalling S\$11.2 million; and
- (d) the Bond of S\$2.8 million.

Equity attributable to the owners of the Company was S\$20.4 million as at 31 December 2015 as a result of accumulated losses of S\$49.1 million which had pared down the Company's share capital base of S\$68.5 million.

As a result of the above, the gross gearing of the Group is 1.38 times as at 31 December 2015. After deducting bank deposits and cash balances, the net gearing of the Group is 0.93 times. Gross gearing is defined as total loans and borrowings divided by total equity and net gearing is defined as total loans and borrowings less bank deposits and cash balances, divided by total equity.

Hence, the Company had taken measures to reduce its gearing ratio including the partial redemption of the Bond in March 2016 and the Proposed Redemption of the Notes from the Proposed Subscription to be completed by the end of June 2016.

To ease the cash flow requirements of the Group, the Company had on 4 April 2016, been provided with the Financial Support Letter from HBD, pursuant to which HBD had (i) undertaken to the Company that it will not demand repayment of the HBD Loan, except when the cash flows of the Group permit repayment and such repayment will not adversely affect the ability of the Group to meet its liabilities as and when they fall due; and (ii) agreed to provide financial and other supports of up to S\$7.5 million at comparable market terms to the Company, subject to the terms and conditions of the Financial Support Letter.

As the Group has no intangible assets on its balance sheet, the NAV of the Group is equivalent to the NTA of the Group of S\$20.42 million and accordingly, the NTA per Share was S\$0.068 as at 31 December 2015.

In relation to the audited accounts for FY2015, the independent auditors of the Company, Ernst & Young LLP, had, *inter alia*, expressed an “Emphasis of Matter” to highlight the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern due to factors including the Group’s losses incurred in FY2015, negative operating cash flow from operations and net working capital deficit position (without considering the Group’s properties under development). Notwithstanding the above, the financial statements of the Group for FY2015 have been prepared on a going concern basis after taking into consideration, among other things, the Proposed Subscription and the Financial Support Letter as mentioned above.

4. SALIENT TERMS OF THE PROPOSED SUBSCRIPTION

The details of the Proposed Subscription are set out in Section 2 of the Circular. A summary of the key terms of the Proposed Subscription is set out below for your reference.

4.1 Overview

Pursuant to the terms of the Subscription Agreement, HBD will subscribe for 117,000,000 Subscription Shares for an aggregate consideration of S\$7,020,000.

The Subscription Price of S\$0.060 for each Subscription Share represents a premium of approximately 104.1% above the volume weighted average price (“VWAP”) of S\$0.0294 for trades done on the SGX-ST for the full market day on 29 January 2016 (being the last full market day on which the Shares were last traded before the Subscription Agreement was signed).

The Subscription Price was agreed upon following arm’s length negotiations between the Company and HBD, taking into consideration, an estimate of the NAV of the Group. There will be no adjustment made to the Subscription Price.

The Subscription Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights and entitlements similar to the existing Shares, except that the Subscription Shares will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of the issue of the Subscription Shares.

As at the Latest Practicable Date, the Company had an issued and paid-up share capital comprising 300,295,850 Shares. Based on the total number of issued Shares, the Proposed Subscription of 117,000,000 Subscription Shares represents approximately 39.0% of the total number of issued Shares and 28.0% of the enlarged issued Shares after the completion of the Proposed Subscription.

4.2 Conditions Precedent

The Proposed Subscription is subject to, *inter alia*, the following:

- (a) Independent Shareholders’ approval at the EGM for the Proposed Subscription;
- (b) Independent Shareholders’ approval for the Proposed Whitewash Resolution;
- (c) SIC approval for the Whitewash Waiver; and
- (d) SGX-ST in-principle approval for the listing and quotation of the Subscription Shares on the Catalist of the SGX-ST.

The detailed conditions precedent of the Subscription Agreement are set out in Section 2.3.3 of the Circular.

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On 16 March 2016, the Company obtained the Whitewash Waiver from the SIC subject to certain conditions as set out in Section 5 of this Letter and Section 3.4 of the Circular.

As disclosed in the Circular, an application will be made to the SGX-ST for the listing and quotation of the Subscription Shares on the Catalist of the SGX-ST. Shareholders should take note of further announcements to be made by the Company on the listing and quotation of the Subscription Shares.

The Proposed Subscription and Proposed Whitewash Resolution are subject to Shareholders' approval by way of passing of the ordinary resolutions at the EGM. The Proposed Redemption is also subject to Shareholders' approval by way of an ordinary resolution at the EGM in accordance with the terms of the Notes arising from the early redemption. If any one of the ordinary resolutions is not passed, none of the Proposed Subscription, Proposed Whitewash Resolution or Proposed Redemption will take place.

5. THE PROPOSED WHITEWASH RESOLUTION

As disclosed in Section 1 of this Letter, Mr Chan is a concert party to HBD and have been defined collectively as the Concert Party Group. As at the Latest Practicable Date, the Concert Party Group holds 85.0 million Shares, representing approximately 28.3% of the existing issued share capital of the Company.

Pursuant to the Proposed Subscription, HBD will subscribe for 117,000,000 Subscription Shares, which represents approximately 39.0% of the total number of issued Shares and 28.0% of the enlarged issued Shares after the completion of the Proposed Subscription.

Upon the completion of the Proposed Subscription, HBD will increase its direct shareholding interest in the Company to 155,250,000 Shares, representing 37.2% of the enlarged issued Shares totalling 417,295,800 Shares. Collectively, the Concert Party Group would increase its combined shareholding interest in the Company to 202,000,000 Shares, representing 48.4% of the enlarged issued Shares.

Accordingly, the Concert Party Group will cross the Mandatory Offer Threshold which would result in HBD being required to make a Mandatory Offer unless such requirement is waived by the SIC.

In this regard, an application was made to the SIC for the Whitewash Waiver and the SIC had, on 16 March 2016, granted the Whitewash Waiver to HBD, subject to the satisfaction of certain conditions ("**SIC Conditions**"), including, *inter alia*, the following:

- (i) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of the Subscription Shares, the Proposed Whitewash Resolution by way of a poll to waive their rights to receive a general offer from HBD;
- (ii) the Proposed Whitewash Resolution is separate from other resolutions;
- (iii) HBD and its concert parties, as well as parties not independent of them abstain from voting on the Proposed Whitewash Resolution;
- (iv) HBD and its concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Circular):
 - (a) during the period between the Announcement Date and the date that Shareholders' approval is obtained for the Proposed Whitewash Resolution; and

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- (b) in the 6 months prior to the Announcement Date but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Proposed Subscription;
- (v) the Company appoints an IFA to advise the Independent Shareholders on the Proposed Whitewash Resolution;
- (vi) the Company sets out clearly in its circular to Shareholders:
 - (a) details of the Proposed Subscription;
 - (b) the dilution effect to existing holders of voting rights of the Company upon the issue of the Subscription Shares to HBD;
 - (c) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by HBD and its concert parties as at the Latest Practicable Date;
 - (d) the number and percentage of voting rights to be issued to HBD as a result of HBD's subscription for the Subscription Shares;
 - (e) that Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from HBD at the highest price paid by HBD and its concert parties for the Shares in the past 6 months preceding the commencement of the offer;
- (vii) the circular by the Company to its Shareholders states that the waiver granted by SIC to HBD from the requirement to make a general offer under Rule 14 is subject to the conditions stated in sub-paragraphs (i) to (vi) above;
- (viii) the Company obtains SIC's approval in advance for those parts of the Circular that refer to the Proposed Whitewash Resolution; and
- (ix) to rely on the Proposed Whitewash Resolution, the acquisition of the Subscription Shares by HBD must be completed within 3 months of the approval of the Proposed Whitewash Resolution.

As at the Latest Practicable Date, all the above conditions imposed by SIC, except for the conditions in (i) and (ix), have been satisfied.

The Independent Shareholders are therefore asked to vote, on a poll, on the Proposed Whitewash Resolution set out as Ordinary Resolution 2 in the Notice of EGM set out in the Circular.

The Recommending Directors should advise the Independent Shareholders that:

- (a) **by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to receive a general offer for their Shares from HBD at the highest price paid or agreed to be paid by HBD and its concert parties in the six (6) months preceding the commencement of the offer which they would have otherwise been obliged to make for the Shares in accordance with Rule 14 of the Code; and**
- (b) **in the context of the Whitewash Waiver, the Proposed Subscription is conditional upon them voting in favour of the Proposed Whitewash Resolution. In the event that the Proposed Whitewash Resolution is not approved by the Independent Shareholders, the Proposed Subscription will not take place.**

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We wish to point out that as a result of the Proposed Subscription, the Concert Party Group would increase its combined shareholding in the Company from 28.3% of the existing total number of issued Shares to 48.4% of the enlarged total number of issued Shares, which is just below the 49.0% shareholding interest in the Company. In the event that the Concert Party Group acquires Shares which result in them carrying over 49.0% of the voting rights of the Company, the Concert Party Group would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer.

6. EVALUATION OF THE PROPOSED SUBSCRIPTION AND THE PROPOSED WHITEWASH RESOLUTION

In our evaluation of the Proposed Subscription and the Proposed Whitewash Resolution, we have given due consideration to, *inter alia*, the following key factors:

- (a) rationale for the Proposed Subscription and the use of proceeds;
- (b) assessment of the terms of the Proposed Subscription;
- (c) dilution impact of the Proposed Subscription on the Independent Shareholders; and
- (d) other relevant considerations which may have a significant bearing on our assessment of the Proposed Subscription and Proposed Whitewash Resolution.

6.1 Rationale for the Proposed Subscription and the use of proceeds

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Subscription or the future prospects of the Group after the Proposed Subscription. Nevertheless, we have reviewed the rationale by the Company as set out in Section 2.5 of the Circular. We have set out below, a summary of the rationale and the use of proceeds of the Proposed Subscription for your reference.

The Directors have considered various methods of fund raising and have concluded that a placement, that is, the Proposed Subscription, is the most feasible method at this stage of the Company.

The Company is proposing to use the net proceeds of S\$6.92 million (“**Net Proceeds**”) from the Proposed Subscription to (i) redeem all the outstanding 20 Notes; and (ii) for the general working capital of the Group as follows:

Use of Net Proceeds	S\$'000	%
Redemption of the Notes ⁽¹⁾ :		
– Principal amount of the Notes	5,000	72.3
– Payment of accrued interest	1,220	17.6
– Payment of redemption premium	200	2.9
Sub-total	6,420	92.8
General working capital	500	7.2
Total	6,920	100.0

Note:

- (1) Assuming the redemption of the Notes takes place on or before 30 June 2016.

The Proposed Redemption of the Notes will be effected upon completion of the Proposed Subscription and the Company expects the Proposed Redemption to be completed by 30 June 2016.

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Of the 20 outstanding Notes, (a) 14 Notes are held by HBD, (b) 2 Notes by Mr Teh Wing Kwan, a Non-Executive Director, (c) 2 Notes by Dr Toh Soon Huat, a substantial shareholder of the Company, and (d) the remaining 2 Notes by unrelated third parties.

Of the total subscription amount of S\$7.02 million, part of the amount payable by HBD for the Proposed Subscription will be used to set-off against the amount payable by the Group to HBD in relation to the 14 Notes held by HBD, amounting to S\$4.494 million.

The Notes will mature on 21 February 2017 and the Company is proposing an early redemption of the Notes (together with the accrued interest and redemption premium) to strengthen the balance sheet and to reduce the gearing of the Company. The amount of potential savings arising from the early redemption of the Notes is estimated by the Company to be approximately S\$580,000 in interest and a further S\$100,000 from the redemption premium assuming that the redemption of the Notes is completed by 30 June 2016.

Pursuant to the terms and conditions of the Notes, the Proposed Redemption will constitute a modification by the Company of the terms and conditions of the Notes, which require (i) written approval of holders of 51.0% or more of the aggregate principal amount of the Notes currently outstanding; and (ii) approval of the Shareholders of the Company. In this regard, the Company has secured written approval of holders of 51.0% or more of the aggregate principal amount of the Notes currently outstanding for the Proposed Redemption and the Company is seeking Shareholders' approval for the Proposed Redemption at the EGM.

Please refer to Section 2.5 of the Circular for more information on the rationale of the Proposed Subscription and the use of the Net Proceeds.

6.2 Assessment of the terms of the Proposed Subscription

The Subscription Price of S\$0.060 for each Subscription Share represents a premium of approximately 104.1% above the VWAP of S\$0.0294 for trades done on the SGX-ST for the full market day on 29 January 2016 (being the last full market day on which the Shares were last traded before the Subscription Agreement was signed).

In assessing the Subscription Price, we have considered the following:

- (i) the historical trading performance of the Shares; and
- (ii) the NTA per Share of the Group.

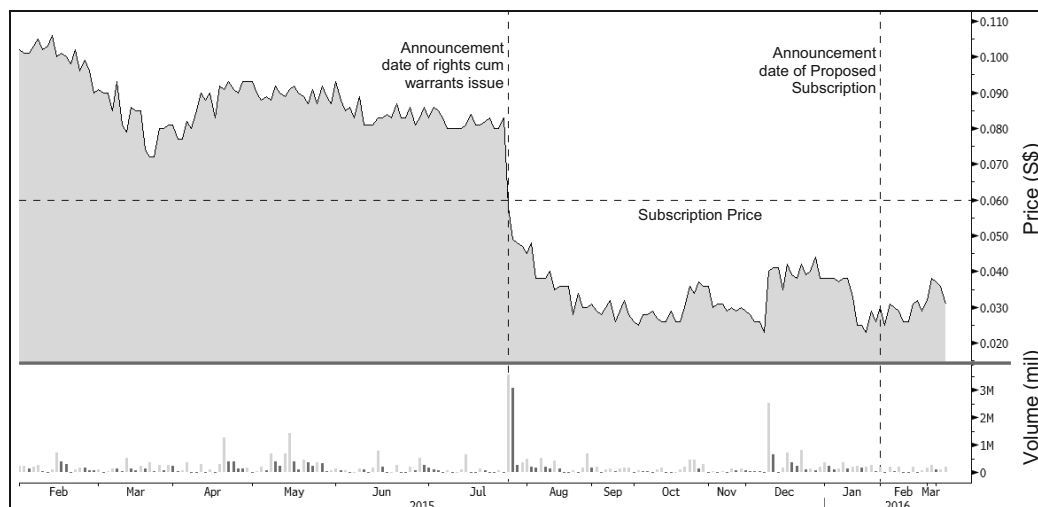
6.2.1 Historical trading performance of the Shares

We note that the Announcement was released after trading hours on 29 January 2016.

We have therefore compared the Subscription Price against the historical market price performance of the Shares and considered the historical trading volume of the Shares from 30 January 2015, being the 1-year period prior to the release of the Announcement, to the Latest Practicable Date ("**Period Under Review**").

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Price movement and trading volume of the Shares for the Period Under Review



Source: Bloomberg L.P.

As can be seen from the share price chart above, there was a significant drop in the Share price in July 2015 following the announcement by the Company's proposed rights cum warrants issue. Although the proposed rights cum warrants issue was eventually aborted, the Share price did not recover to trade at levels prior to the proposed rights cum warrants issue nor at prices near the Subscription Price. The Subscription Price represents a significant premium above the market Share prices for the last six months prior to the release of the Announcement.

Market Statistics

In addition to the share price chart above, we have tabulated below selected statistical information on the share price performance and trading liquidity of the Shares for the Period Under Review.

Reference period	Highest traded price (\$)	Lowest traded price (\$)	VWAP ⁽¹⁾ (\$)	Premium / (Discount) of Subscription Price over/(to) VWAP (%)	Number of traded days ⁽²⁾	Average daily trading volume ⁽³⁾ ('000)	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
<u>Prior to the release of the Announcement</u>							
Last 1 year	0.107	0.023	0.064	(6.3)	186	168	0.09
Last 6 months	0.049	0.023	0.036	66.7	78	124	0.07
Last 3 months	0.046	0.023	0.037	62.2	37	141	0.08
Last 1 month	0.041	0.023	0.034	76.5	13	110	0.06
29 January 2016 (last trading day prior to the release of the Announcement)	0.030	0.028	0.029	106.9	1	183	0.10
<u>After the Announcement Date</u>							
1 February 2016 to the Latest Practicable Date	0.038	0.025	0.032	87.5	14	33	0.02
Latest Practicable Date	← No trades done →						

Source: Bloomberg L.P.

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Notes:

- (1) The volume-weighted average price ("VWAP") for the respective periods are calculated based on the daily VWAP turnover divided by VWAP volume as extracted from Bloomberg L.P.. VWAP turnover is computed based on the aggregate daily turnover value of the Shares and VWAP volume is computed based on the aggregate daily trading volume of the Shares for the respective periods. Off market transactions are excluded from the calculation;
- (2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period;
- (3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halts on the Shares) during that period; and
- (4) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders of the Company. For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 180.0 million Shares based on the free float of 60.0% as disclosed in the Company's Annual Report for FY2015.

We observe the following with regard to the share price performance of the Company for the Period Under Review:

- (a) Over the 1-year period prior to the release of the Announcement, the Shares have traded between a low of S\$0.023 and a high of S\$0.107. The Subscription Price represents a premium of S\$0.037 (or 160.9%) above the lowest transacted price and a discount of S\$0.047 (or 43.9%) to the highest transacted price of the Shares. The Subscription Price represents a slight discount of approximately 6.3% to the VWAP of the Shares for the 1-year period. The trading prices during the first half of the 1-year period were trading at prices between S\$0.069 and S\$0.107 before Share prices tumbled following the negative market reaction to the Company's announcement of the proposed rights cum warrants issue on 27 July 2015;
- (b) The Subscription Price represents a significant premium of 66.7%, 62.2% and 76.5% above the VWAP of the Shares for 6-month, 3-month and 1-month periods prior to the release of the Announcement respectively;
- (c) The Subscription Price represents a premium of 100.0% above the last transacted price of the Shares of S\$0.030 on 29 January 2016, being the day when the Shares were last traded prior to the release of the Announcement; and
- (d) After the Announcement Date and up to the Latest Practicable Date, the VWAP Shares price had traded at S\$0.032, which is still significantly below the Subscription Price.

We observe the following with regard to the trading liquidity of the Shares:

- (i) Over the 1-year period prior to the release of the Announcement, the Shares were not frequently traded on a daily basis throughout the period and trading liquidity on the Shares was low. The average daily trading volume of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the release of the Announcement represent 0.09%, 0.07%, 0.08% and 0.06% of the free float of the Shares; and
- (ii) During the period following the Announcement Date and up to the Latest Practicable Date, the average daily trading volume on the Shares remained low.

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6.2.2 NTA per Share of the Group

In assessing the reasonableness of the Subscription Price, we have considered using the earnings approach which is commonly used for the valuation of a profitable company as a going concern.

We note that the Group does not meet the above criteria as a profitable company on a going concern basis as the Group had incurred losses over the last three financial years as set out in Section 3.4 of this Letter. In addition, the Group only started generating revenue in the last financial year in FY2015. Hence, the earnings approach cannot be meaningfully applied in assessing the reasonableness of the Subscription Price.

Instead, we have assessed the Subscription Price using the NTA approach, which shows the extent to which the value of each Share is backed by its net tangible assets. The NTA approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities, intangible assets of the group and non-controlling interests.

As disclosed in Section 3.4 of this Letter, based on the latest available audited financial information of the Group for FY2015, the Group has NTA of S\$20.42 million as at 31 December 2015, representing S\$0.068 per Share. The Subscription Price of S\$0.060 represents a discount of 11.8% to the NTA per Share.

Although the Subscription Price represents a discount of 11.8% to the NTA per Share as at 31 December 2015, the Subscription Price is at a premium of 106.9% above the VWAP of the Shares transacted on 29 January 2016 of S\$0.029. The market Share prices had also been trading at substantial discounts of between 27.9% and 66.2% to the NTA per Share of S\$0.068 for the last 6 months prior to the release of the Announcement.

6.3 Dilution impact of the Proposed Subscription on the Independent Shareholders

The Concert Party Group presently holds approximately 28.3% of the Company's total number of issued Shares and the remaining 71.7% of the total number of issued Shares are held by the Independent Shareholders, including Shares held by the substantial Shareholder, Dr Toh Soon Huat, Shares held by the Non-Executive Director, Mr Teh Wing Kwan and the Executive Director, Mr Cui Peng. Upon completion of the Proposed Subscription, all the Independent Shareholders will suffer a dilution to their existing shareholdings in the Company.

We note that the Company has outstanding Bonus Warrants, Piggyback Warrants and Options which are exercisable into new Shares. However, these convertible securities are significantly out-of-the-money compared to the prevailing market Share prices. As at the Latest Practicable Date, these outstanding convertible securities are as follows:

		Number of outstanding warrants, options or the equivalent Shares	Exercise Price
(a)	Bonus Warrants	59,531,652	S\$0.20
(b)	Piggyback Warrants	9,333,224	S\$0.30
(c)	Options	3,714,667	S\$0.11 to S\$0.12

Therefore, for the purpose of illustrating the dilution effect of the proposed Subscription on the Independent Shareholders, we have computed the dilution effect based on the existing issued number of Shares of 300,295,850 Shares and the enlarged issued Shares taking into consideration the 117,000,000 Subscription Shares.

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	Existing Shareholding		After the Proposed Subscription	
	Shares held	%	Shares held	%
<u>Independent Shareholders</u>				
Mr Teh Wing Kwan	91,000	negligible	91,000	negligible
Mr Cui Peng	500	negligible	500	negligible
Dr Toh Soon Huat	33,502,200	11.2	33,502,200	8.0
Public Shareholders	181,702,150	60.5	181,702,150	43.5
Subtotal	215,295,850	71.7	215,295,850	51.6
Concert Party Group	85,000,000	28.3	202,000,000	48.4
Total	300,295,850	100.0	417,295,850	100.0

Based on the above, we note that the Concert Party Group will increase its shareholding interest in the Company from 28.3% of the existing number of Shares to 48.4% of the enlarged number of Shares after the issuance of the Subscription Shares. Independent Shareholders will have their aggregate shareholding interests diluted from 71.7% to 51.6% of the enlarged number of issued Shares.

In the event that the Concert Party Group exercises its outstanding convertible securities, it will be able to secure additional shareholding interest in the Company. Based on the last transacted share price of S\$0.031 on 5 April 2016 (as there were no trades done on the Latest Practicable Date) and the applicable exercise prices of these convertible securities, the exercise of these convertible securities by the Concert Party Group is unlikely from a commercial perspective.

Independent Shareholders should note that the Proposed Whitewash Resolution, if approved at the forthcoming EGM, will waive the requirement of HBD from making the Mandatory Offer for all the remaining Shares at the highest price paid or agreed to be paid by HBD and its concert parties in the last six months. As HBD and its concert parties had not acquired any Shares in the last six months, the relevant offer price to be made by HBD and its concert parties, if a hypothetical Mandatory Offer is to be made, will be at S\$0.06 for each Share. Hence, HBD is proposing the Proposed Whitewash Resolution, as it is not the intention of HBD and its concert parties to make a general takeover offer or to privatise the Company.

6.4 Other relevant considerations which may have a significant bearing on our assessment of the Proposed Subscription and the Proposed Whitewash Resolution

6.4.1 Subscription Price is at the same issue price as the exchange price of the Notes

The Subscription Price is at the same exchange price of the Notes, of which a majority is owned by HBD. Although the Notes are to be redeemed by the Proposed Subscription, HBD is in effect converting the Notes at the exchange price. The Company is therefore not being disadvantaged as the Subscription Price is the same as the exchange price of the Notes. However, it should be noted that pursuant to the terms and conditions of the Notes, the Company has to pay for the accrued interest and redemption premium on the Notes which are applicable, *pari passu*, to all the holders of the Notes.

We note that the holders of the Notes have the right to either exchange their Notes into new Shares of the Company at the exchange price of S\$0.06 per Share or convert into new shares of SCDPL, an unlisted subsidiary of the Company, whose principal activity is in property development. During FY2015, SCDPL has minimal operating activities, other than the provision of inter-company loans to fellow subsidiaries of the Group, which are funded by the Notes and the Company. As at 31 December 2015, SCDPL has NAV amounting to S\$1.7 million.

6.4.2 Inter-conditionality of the Proposed Subscription, the Proposed Whitewash Resolution and the Proposed Redemption

It is pertinent to note that the Proposed Subscription, the Proposed Whitewash Resolution and the Proposed Redemption are inter-conditional upon one another. If any of the Proposed Subscription, Proposed Whitewash Resolution or Proposed Redemption is not approved by the Independent Shareholders at the EGM, none of the above proposals will take place.

6.4.3 Mr Chan's commitment to the Company

We note that presently, the Concert Party Group, as led by Mr Chan, is the single largest shareholder of the Company. Mr Chan is also the Chief Executive Officer and Executive Director of the Company, driving the business strategy of the Group.

Since becoming involved in the Company in 2013, Mr Chan has supported various rounds of fund raising exercises by the Company through the placement of shares in 2013, exercise of the Bonus Warrants and Piggyback Warrants in 2014, subscription of the Notes in 2014, the subscription of the 2014 Rights Issue, extension of the interest-free HBD Loan in 2015 (of which US\$10.5 million has been drawn down) and the current Proposed Subscription.

We note that, the Company had on 4 April 2016, been provided with the Financial Support Letter from HBD, pursuant to which HBD had (i) undertaken to the Company that it will not demand repayment of the HBD Loan, except when the cash flows of the Group permit repayment and such repayment will not adversely affect the ability of the Group to meet its liabilities as and when they fall due; and (ii) agreed to provide financial and other supports of up to S\$7.5 million at comparable market terms to the Company, subject to the terms and conditions of the Financial Support Letter.

In total, Mr Chan estimated that his total commitment to the Company amounted to approximately S\$34.4 million before the Proposed Subscription, and approximately S\$37.9 million after taking into account the balance amount that HBD has to pay for the Subscription Shares after the netting-off of the Notes against the Proposed Subscription.

We believe that this underscores Mr Chan's support for the Group and demonstrates his commitment to and confidence in the prospects of the Group.

Following the Proposed Subscription, Mr Chan will increase his shareholding interest in the Company from 28.3% to 48.4% of the enlarged total number of issued Shares. Mr Chan will therefore continue to be the single largest shareholder of the Company.

Mr Chan and/or HBD also own outstanding Bonus Warrants, Piggyback Warrants and Options with exercise prices which are significantly out-of-the-money compared to the prevailing market Share prices. In the event that Mr Chan exercises these convertible securities, he will be able to consolidate his shareholding interest in the Company further. Details of Mr Chan and HBD's holdings of the Bonus Warrants, Piggyback Warrants and Options are disclosed in Section 3.1 of the Circular.

We wish to highlight that HBD and its concert parties, as a result of the Proposed Subscription, would increase its combined shareholding interest in the Company from 28.3% of the existing total number of issued Shares to 48.4% of the enlarged total number of issued Shares, which is just below the 49.0% shareholding interest in the Company. In the event that HBD and its concert parties acquires Shares which result in them carrying over 49.0% of the voting rights of the Company, HBD and its concert parties would thereafter be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer.

6.4.4 Financial effects of the Proposed Subscription

Details on the financial effects of the Proposed Subscription on the Group are set out in Section 2.6 of the Circular and are based on the audited financial statements of the Group for FY2015 and certain assumptions stated therein. The financial effects are for illustrative purposes only

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and do not purport to be an indication or a projection of the results and financial position of the Company and the Group after the completion of the Proposed Subscription.

In summary, based on the audited financial statements for FY2015, we note the following:

- (a) the issued share capital of the Company will increase due mainly to the Net Proceeds from the Subscription Shares;
- (b) assuming the issuance of Subscription Shares had been completed on 31 December 2015, the NTA of the Group will increase as a result of the injection of fresh equity into the Group. However, the NTA per Share of the Group will be lower as the Subscription Price is lower than the NTA per Share of the Group;
- (c) assuming the issuance of Subscription Shares and the Proposed Redemption was completed on 1 January 2015, losses incurred by the Group would increase, due to the reversal of the fair gains from the derivative portion of the Notes recognised in FY2015, which was partially offset by a gain arising from the redemption of the Notes at an amount lower than its carrying value. However, the Proposed Subscription would still have an immediate dilutive effect on the loss per Share due to the enlarged number of Shares; and
- (d) the net gearing of the Group will be reduced as a result of the increase in share capital of the Company from the Proposed Subscription and the redemption of the Notes. Net gearing is defined as total loans and borrowings less bank deposits and cash balances, divided by total equity.

7. OUR OPINION

In arriving at our opinion in respect of the Proposed Subscription and the Proposed Whitewash Resolution, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- (a) rationale for the Proposed Subscription and the use of proceeds;
- (b) assessment of the terms of the Proposed Subscription;
- (c) dilution impact of the Proposed Subscription on the Independent Shareholders; and
- (d) other relevant considerations which may have a significant bearing on our assessment of the Proposed Subscription and Proposed Whitewash Resolution.

Overall, based on our analysis and after having considered carefully the information available to us, we are of the view that:

- (i) **the Proposed Subscription as an Interested Person Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and the Independent Shareholders; and**
- (ii) **the Proposed Whitewash Resolution, when considered in the context of the Proposed Subscription is fair and reasonable, and is not prejudicial to the interests of the Independent Shareholders.**

We therefore advise the Recommending Directors to recommend to the Independent Shareholders to vote in favour of the Proposed Subscription and the Proposed Whitewash Resolution.

Our opinion, as disclosed in this Letter, is based solely on publicly available information and information provided by the Directors and the Management and does not reflect any projections of future financial performance of the Company or the Group after the completion of the

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Proposed Subscription. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Subscription as an Interested Person Transaction and the Proposed Whitewash Resolution in the context of the Proposed Subscription.

This Letter is addressed to the Recommending Directors for their benefit and for the purpose of their consideration of the Proposed Subscription and Proposed Whitewash Resolution. The recommendation to be made by the Recommending Directors to the Independent Shareholders shall remain the sole responsibility of the Recommending Directors. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other person may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the EGM and for the purpose of the Proposed Subscription and the Proposed Whitewash Resolution, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

SINGAPORE EDEVELOPMENT LIMITED

(Company registration no. 200916763W)
(Incorporated in Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Singapore eDevelopment Limited (the “**Company**”) will be held at Pan Pacific Singapore, Ocean 6, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 29 April 2016 at 11.30 a.m (or soon thereafter following the conclusion or adjournment of the Extraordinary General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place, or any adjournment thereof), for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

RESOLUTION 1: THE PROPOSED SUBSCRIPTION OF 117,000,000 NEW ORDINARY SHARES (THE “SUBSCRIPTION SHARES”) IN THE CAPITAL OF THE COMPANY AT THE SUBSCRIPTION PRICE OF S\$0.06 PER EACH SUBSCRIPTION SHARE BY HENGFAI BUSINESS DEVELOPMENT PTE LTD, AN ASSOCIATE OF MR CHAN HENG FAI, A DIRECTOR AND CONTROLLING SHAREHOLDER OF THE COMPANY (AS ORDINARY RESOLUTION)

That subject to and contingent upon the passing of Resolutions 2 and 3 herein in this Notice of EGM:

- (a) approval be and is hereby granted for the purpose of Rules 804, 805 and 812 of the Catalist Rules and pursuant to Section 161 of the Companies Act, for the allotment and issuance of 117,000,000 Subscription Shares at the subscription price of S\$0.06 for each Subscription Share to Hengfai Business Development Pte. Ltd., in accordance with the terms and conditions of the subscription agreement between the Company and Hengfai Business Development Pte Ltd on 29 January 2016.
- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit.

RESOLUTION 2: THE WHITEWASH RESOLUTION (AS ORDINARY RESOLUTION)

That subject to and contingent upon the passing of Resolutions 1 and 3 herein in this Notice of EGM, approval be and is hereby given as follows:

That subject to the satisfaction of all the conditions set out in the Securities Industry Council’s letter on 16 March 2016, Shareholders (other than Mr Chan Heng Fai and Hengfai Business Development Pte. Ltd. (the “**Concert Party Group**”)) do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a general offer from Hengfai Business Development Pte. Ltd. in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”), in the event that Hengfai Business Development Pte. Ltd. and its concert parties increase their aggregate shareholding in the Company to 30% or more based on the Company’s enlarged issued capital as a result of Hengfai Business Development Pte. Ltd subscribing for 117,000,000 Subscription Shares.

RESOLUTION 3: THE PROPOSED REDEMPTION OF THE EXCHANGEABLE NOTES (AS ORDINARY RESOLUTION)

That subject to and contingent upon the passing of Resolutions 1 and 2 herein in this Notice of EGM:

- (a) approval be and is hereby given for the proposed redemption of the Exchangeable Notes (together with any accrued interest and applicable redemption premium) by the Company prior to the maturity date of the Exchangeable Notes.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit.

BY ORDER OF THE BOARD

Mr Chan Heng Fai
Executive Director and Chief Executive Officer
Singapore eDevelopment Limited
Singapore
14 April 2016

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 (the "Act"), a member is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting ("EGM"). Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. If the appointor is a corporation, the instrument appointing a proxy must be executed under its common seal or the hand of its duly authorised officer or attorney.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10 Winstedt Road, Block A #02-02 Singapore 227977 no later than 48 hours prior to the time of the EGM.

PROXY FORM

SINGAPORE EDEVELOPMENT LIMITED

(Company registration no. 200916763W)
(Incorporated in Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (Name) with NRIC/Passport Number: _____

of _____ (Address)

being a member/members of **SINGAPORE EDEVELOPMENT LIMITED** (the "**Company**"), hereby appoint:-

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/her/them*, the Chairman of the Extraordinary General Meeting (the "**EGM**") of the Company as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the EGM of the Company to be held at Pan Pacific Singapore, Ocean 6, Level 2, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 29 April 2016 at 11.30 a.m (or soon thereafter following the conclusion or adjournment of the Extraordinary General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place, or any adjournment thereof). I/We* direct my/our* proxy to vote for or against the Proposed Resolutions to be proposed at the EGM as hereunder indicated. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

No.	RESOLUTION	FOR**	AGAINST**
1.	To approve the Proposed Subscription (as Ordinary Resolution)		
2.	To approve the Proposed Whitewash Resolution (as Ordinary Resolution)		
3.	To approve the Proposed Redemption (as Ordinary Resolution)		

* Delete accordingly

** If you wish to exercise all your votes "For" or "Against", please indicate so with a [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2016

Total Number of Shares Held in:	
(a) CDP Register	
(b) Register of Members	

Signature(s) of Members/Corporation's Common Seal



PROXY FORM

NOTES:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 (the “**Act**”), a member is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting (“**EGM**”). Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. A proxy need not be a member of the Company.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at registered office of the Company at **10 Winstedt Road, Block A #02-02 Singapore 227977**, not less than **48 hours** before the time set for the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

GENERAL:

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the EGM.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any EGM laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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