

CIRCULAR DATED 9 JANUARY 2017

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 and the SGX-ST assumes 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 EXPANSION OF THE SCOPE OF THE GROUP’S PROPERTY DEVELOPMENT BUSINESS**
- (2) THE DIVERSIFICATION OF THE GROUP’S BUSINESS INTO THE PROPOSED BIOMEDICAL BUSINESS**

IMPORTANT DATES AND TIMES:

- | | |
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| Last date and time for lodgement of Proxy Form | : 21 January 2017 at 10.00a.m. |
| Date and time of Extraordinary General Meeting | : 24 January 2017 at 10.00a.m. |
| Place of Extraordinary General Meeting | : Room 327, Level 3 Suntec Singapore Convention & Exhibition Centre 1 Raffles Boulevard, Suntec City Singapore 039593 |

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context requires otherwise or unless otherwise stated:

- “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
- (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
- “Board” or “Board of Directors”* : The board of directors of the Company for the time being, unless otherwise stated
- “Business Day”* : A day on which the banks in Singapore are open for business (excluding Saturdays, Sundays and gazetted public holidays)
- “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
- “Circular”* : This circular to Shareholders dated 9 January 2017
- “Companies Act”* : The Companies Act (Cap. 50) of Singapore, as amended or modified from time to time
- “Company”* : Singapore eDevelopment Limited
- “Constitution”* : The constitution of the Company, as may be amended or modified from time to time
- “Controlling Shareholder”* : A person who:-
- (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or
 - (b) in fact exercises control over the Company

DEFINITIONS

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| <i>“Director”</i> | : | A director of the Company for the time being |
| <i>“EGM”</i> | : | 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 |
| <i>“EPS”</i> | : | Earnings per Share |
| <i>“Exclusion Order”</i> | : | Multi-Level Marketing and Pyramid Selling (Excluded Schemes and Arrangements) Order of Singapore, as amended or modified from time to time |
| <i>“FDA”</i> | : | Food and Drug Administration of the USA |
| <i>“FY”</i> | : | Financial year ended or ending 31 December, as the case may be |
| <i>“GRDGS”</i> | : | Global Research and Discovery Group Scientific LLC |
| <i>“Group”</i> | : | The Company and its subsidiaries collectively |
| <i>“HBD”</i> | : | Hengfai Business Development Pte. Ltd., a Singapore-incorporated company in which Mr Chan Heng Fai is the sole beneficial shareholder and director. Mr Chan Heng Fai is the Executive Director, Chief Executive Officer and a Controlling Shareholder of the Company |
| <i>“Holista”</i> | : | Holista CollTech Limited |
| <i>“Information Technology Business”</i> | : | The business of software and hardware development and technology services offering to end-users and businesses (including telecommunication services providers) in such areas including (but not limited to) mobile internet and cloud computing technology. Details on the scope of the Information Technology Business can be found in the Company’s circular to Shareholders dated 14 July 2014 |
| <i>“Investment Business”</i> | : | The investment business of the Company as detailed in the Company’s circulars to Shareholders dated 28 October 2013, 3 June 2014 and 16 November 2015. Details on the scope of the Investment Business can be found in the aforementioned Company’s circulars to Shareholders |
| <i>“Latest Practicable Date”</i> | : | 3 January 2017, being the latest practicable date prior to the printing of this Circular |
| <i>“Market Day”</i> | : | A day on which the SGX-ST is open for trading of securities |
| <i>“MLM Act”</i> | : | Multi-Level Marketing and Pyramid Selling (Prohibition) Act (Cap. 190) of Singapore, as amended or modified from time to time |
| <i>“Notice of EGM”</i> | : | The notice of EGM which is set out in this Circular |
| <i>“NTA”</i> | : | Net tangible assets |

DEFINITIONS

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| <i>“Property Development Business”</i> | : | The business of property development in Singapore, the Asian region, the USA, Australia and Spain. Details on the scope of the Property Development Business can be found in the Company’s circulars to Shareholders dated 28 October 2013 and 11 April 2014 |
| <i>“Proposed Biomedical Business”</i> | : | The business of developing, researching, testing, manufacturing, licensing and distributing (via retail, direct selling, network marketing or e-commerce) products and/or services in the area of biomedical science, biomedical healthcare and biotechnology |
| <i>“Proposed Resolutions”</i> | : | The ordinary resolutions as set out in the Notice of EGM |
| <i>“Proxy Form”</i> | : | The proxy form in respect of the EGM enclosed in this Circular |
| <i>“Register of Members”</i> | : | Register of members of the Company |
| <i>“Securities Account”</i> | : | The securities accounts maintained by Depositors with CDP but not including the securities accounts maintained with a Depository Agent |
| <i>“SeD Biomed Inc.”</i> | : | SeD BioMedical Inc. |
| <i>“SeD Biomed International”</i> | : | SeD BioMedical International Pte. Ltd. |
| <i>“SFA”</i> | : | The Securities and Futures Act (Cap. 289) of Singapore, as amended or modified from time to time |
| <i>“SGX-ST”</i> | : | Singapore Exchange Securities Trading Limited |
| <i>“Share Registrar”</i> | : | Boardroom Corporate & Advisory Services Pte. Ltd. |
| <i>“Shareholders”</i> | : | The registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term <i>“Shareholders”</i> in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited |
| <i>“Shares”</i> | : | Ordinary shares in the capital of the Company |
| <i>“Sponsor”</i> | : | Hong Leong Finance Limited, the sponsor of the Company |
| <i>“subsidiary”</i> | : | A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act |
| <i>“Substantial Shareholder”</i> | : | A person who has an interest or interests in voting Shares in the Company representing not less than 5% of all the voting Shares |
| <i>“USA”</i> | : | United States of America |

DEFINITIONS

Currencies, Units and Others

“S\$” and “cents” : Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore

“%” : Per centum or percentage

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

The term “*associate*”, “*associated company*” and “*subsidiary*” shall have the same meanings ascribed to them respectively in the Catalist Rules and the Companies Act.

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

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 and *vice versa*. References to “*persons*” shall, where applicable, include corporations.

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

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

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

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)

Board of Directors:-

Basil Chan (Independent and Non-Executive Chairman)
Chan Heng Fai (Executive Director and Chief Executive Officer)
Chan Tung Moe (Executive Director)
Tao Yeoh Chi (Independent Director)
Chan Yu Meng (Independent Director)

Registered Office:-

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

9 January 2017

To: The Shareholders of Singapore eDevelopment Limited

Dear Sir/Madam

- (1) **THE PROPOSED EXPANSION OF THE SCOPE OF THE GROUP'S PROPERTY DEVELOPMENT BUSINESS**
- (2) **THE DIVERSIFICATION OF THE GROUP'S BUSINESS INTO THE PROPOSED BIOMEDICAL BUSINESS**

1. INTRODUCTION

1.1 EGM

The Directors are convening an EGM to be held on 24 January 2017 to seek Shareholders' approval in relation to:

- (a) the proposed expansion of the scope of the Group's Property Development Business; and
- (b) the diversification of the Group's business into the Proposed Biomedical Business.

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

1.2 Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the Proposed Resolutions to be tabled at the EGM, the notice of which is set out in 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.

The SGX-ST takes no responsibility for the accuracy or correctness of any statements or opinions made, or reports contained in this Circular.

2. THE PROPOSED EXPANSION OF THE SCOPE OF THE GROUP'S PROPERTY DEVELOPMENT BUSINESS

2.1 Introduction

The Directors are seeking Shareholders' approval for the proposed expansion of the scope of the Group's Property Development Business at the EGM to be convened as set out in the Notice of EGM.

This Section is intended to provide Shareholders with information relating to, and explain the rationale for the proposed expansion of the scope of the Group's Property Development Business.

LETTER TO SHAREHOLDERS

2.2 Background of the Property Development Business

The Company obtained Shareholders' approval at an extraordinary general meeting of the Company held on 20 November 2013 to diversify the business of the Group into the Property Development Business, which involved the following activities in Singapore and the Asian region:

- (a) actively acting as a developer for property projects by engaging in the development of property for sale and/or leasing on a project basis, which involved the acquisition of land for development and the sale and/or leasing of the property thereafter; and
- (b) participating and investing in property development projects which may be led by other property developers.

Subsequently, the Company obtained Shareholders' approval at an extraordinary general meeting of the Company held on 28 April 2014 to expand the geographical scope of the Property Development Business to include the USA, Australia and Spain.

For more information on the existing scope of the Property Development Business, please refer to the Company's circulars to Shareholders dated 28 October 2013 and 11 April 2014. Shareholders should also note that the Company had previously exited the construction business in Singapore subsequent to the disposal of CCM Industrial Pte Ltd on 21 May 2014.

2.3 Scope of the Property Development Business following the proposed expansion of the Property Development Business

Following a strategic review of the Property Development Business, it was announced on 31 October 2016 that SeD Home Inc. intends to, *inter alia*, (a) embark on homebuilding activities in partnership with other USA homebuilders; (b) seek funding from sources other than the Company; (c) restructure SeD Home Inc.'s balance sheet; (d) commence discussions to acquire smaller USA homebuilding projects or ongoing projects to renovate homes; (e) explore various payment or financial structures to accelerate sales commitments; and (f) meet related needs for homebuyers who increasingly prefer to engage with a single services provider.

On 12 December 2016, the Company announced that the Directors have since then further reviewed the Property Development Business. The impetus to secure revenue and profit in the near to medium term as well as to offer a suite of holistic services to homebuilders, end-buyers and other players in the property eco-system has led to the Directors' belief that Shareholders' approval should now be sought to further broaden the current scope of the Property Development Business to provide the Company more flexibility to seize business opportunities in the property sector.

Accordingly, the Company proposes to expand the scope of the Property Development Business to include services related to the development, management or ownership of property. These property development related services may include the following:

- (a) engaging in building and construction activities including architectural and design services;
- (b) providing property management and realtor services; and
- (c) providing services related to home ownership, including but not limited to acting as a broker for the provision of mortgage loans, home and title insurance services.

The Group intends to engage in the expanded Property Development Business on a prudent basis with discretion. The Company does not intend to restrict the expanded Property Development Business to any specific geographical market as each project and investment will be evaluated and assessed by the Board on its merits. The Group may also explore joint ventures and/or strategic alliances with third-parties who have the relevant expertise and resources to carry out the expanded Property Development Business as and when opportunities arise. The decision on whether a project should be undertaken by the Group on its own or in collaboration with third-parties will be made by the Company after taking into consideration various factors, including

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but not limited to the nature and scale of each project, amount of investment required and risks associated with such an investment, nature of expertise required, the period of time that is required to complete the project and conditions in the market, and taking into account the opportunities available.

2.4 Rationale for the proposed expansion of the scope of the Group's Property Development Business

2.4.1 The proposed expansion of the scope of the Group's Property Development Business can bring about various benefits to the Group

The Company believes that the proposed expansion of the scope of the Group's Property Development Business represents an opportunity to establish new and profitable business segments for the Group. The proposed expansion of the scope of the Group's Property Development Business is one of the Group's strategies to diversify and broaden its revenue streams and work towards a holistic eco-system business segment.

The proposed expansion of the scope of the Group's Property Development Business also provides alternative opportunities for the Group to secure shorter-term gestation returns and profit.

2.4.2 Flexibility to enter into transactions relating to the expanded Property Development Business in the ordinary course of business

Pursuant to Rule 1014 of the Catalist Rules, an acquisition is a major transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% but is less than 100%, and a disposal is a major transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 50% (a "**Major Transaction**"). A Major Transaction must be made conditional upon approval by shareholders in general meeting.

Pursuant to Practice Note 10A of the Catalist Rules, save where the acquisition changes the risk profile of the issuer, shareholders' approval is not required for a Major Transaction if the acquisition will result in an expansion of the issuer's existing core business. Practice Note 10A of the Catalist Rules further states that the SGX-ST takes the view that it should not in normal circumstances require an issuer to seek shareholders' approval if the expansion is by way of an acquisition of a similar business, when other means to expand its business that are open to the issuer would not require shareholders' approval.

Following the receipt of Shareholders' approval for the proposed expansion of the scope of the Group's Property Development Business, save for the first Major Transaction (the "**First Major Transaction**") involving the expanded Property Development Business (or, where any of the Rule 1006 figures in respect of several transactions aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, the last of the Aggregated Transactions), the Group will, in its ordinary course of business, be able to enter into any transaction relating to the expanded Property Development Business without the need for further Shareholders' approval, even though such transaction constitutes a Major Transaction, so long as such transaction does not change the risk profile of the Group. This substantially reduces the administrative time and expenses in convening separate general meetings to seek Shareholders' approval and consequently, facilitates the Group's pursuit of its corporate objectives and increases the Group's responsiveness to opportunities under the expanded Property Development Business.

For the avoidance of doubt, notwithstanding the proposed expansion of the scope of the Group's Property Development Business, in respect of transactions:

- (a) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100% or results in a change in control of the Company, Rule 1015 of the Catalist Rules will still apply and such transactions must be, among others, made conditional upon approval by Shareholders in general meeting; and

LETTER TO SHAREHOLDERS

- (b) which constitute an “interested person transaction” as defined under the Catalist Rules, Chapter 9 of the Catalist Rules will apply and the Company will comply with the provisions of Chapter 9 of the Catalist Rules.

Rule 1005 of the Catalist Rules states that the sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. The SGX-ST retains the discretion to determine whether the aggregation was correctly applied, and/or to direct the sponsor to aggregate other transactions.

Pursuant to Clause 7(b) of Practice Note 10A of the Catalist Rules, should an acquisition change the risk profile of the issuer, shareholders should have an opportunity to have their say on the proposed acquisition. This is so notwithstanding that the acquisition will not change the main business of the issuer.

Clause 7(c) of Practice Note 10A of the Catalist Rules sets out the following factors that will be considered in determining whether the risk profile of the issuer has been changed:

- (a) whether the acquisition will increase the scale of the issuer’s existing operations significantly. An acquisition is regarded as increasing the scale of operations significantly if any of the relative figures computed on the bases set out in Rule 1006(c) and 1006(d) is 100% or more. Rule 1015 requires shareholders’ approval to be obtained for such an acquisition regardless of whether the acquisition is treated as in the issuer’s ordinary course of business. Such an acquisition may be treated as a very substantial acquisition;
- (b) whether the acquisition will result in a change of control of the issuer. Rule 1015 requires shareholder’s approval to be obtained if the acquisition will result in a change in control of the issuer regardless of whether the acquisition is treated as in the issuer’s ordinary course of business. Such an acquisition may be treated as a reverse takeover;
- (c) whether the acquisition will have a significant adverse impact on the issuer’s earnings, working capital and gearing;
- (d) the extent to which the acquisition will result in an expansion of the issuer’s business to a new geographical market and/or a new business sector; and
- (e) the extent to which the intended expansion has been foreshadowed and investors have had an opportunity to vote at previous general meetings on
 - i. the issuer’s proposal; or
 - ii. waiving their rights to approve the issuer’s proposal.

Clause 7(d) of Practice Note 10A of the Catalist Rules further provides that the factors in determining whether an acquisition would change the Company’s risk profile as enumerated in Clause 7(c) of Practice Note 10A of the Catalist Rules are neither exhaustive nor conclusive.

2.5 Management of the Property Development Business following the proposed expansion of the scope of the Group’s Property Development Business

The management of the Property Development Business shall continue to be spearheaded by Mr Chan Heng Fai, an Executive Director and the Chief Executive Officer of the Group. Mr Chan Heng Fai invests in and/or manages property development and management firms and real estate agencies specialising in the purchase and sales of properties, marketing, sourcing of property development opportunities and business development activities. With a keen eye for opportunities to unearth and develop potentially profitable businesses, Mr Chan Heng Fai has successfully restructured over 35 companies in different industries and countries in the past 40 years, including but not limited to SGX-ST Catalist-listed SingHaiyi Group Ltd. (formerly known as SingXpress Land Ltd) and American Pacific Bank (listed on NASDAQ between 1988 and 2005). The Company is confident that Mr Chan Heng Fai will be able to lead the Property Development

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Business following the proposed expansion of the scope of the Group's Property Development Business to tap on potentially profitable projects to generate additional revenue and returns for the Group.

Mr Chan Heng Fai will also be supported by Mr Chan Tung Moe, the son of Mr Chan Heng Fai, who has vast experience in the field of property development, property management, project syndication, REIT establishment and management, hospitality and technology. Mr Chan Tung Moe has been the Chief Development Officer of the Group since July 2015.

The Group intends to hire qualified personnel with suitable expertise and experience to support the growth of the expanded Property Development Business. The Group's management team may also, where appropriate, seek the advice of external consultants and industry experts when making decisions in respect of the expanded Property Development Business.

Where appropriate, aspects of the expanded Property Development Business may be outsourced to third-party contractors. In selecting contractors, the Group will take into account the specific expertise and competencies required for the project in question and the experience, historical track record and financial standing of the party concerned.

2.6 Licences

As and where necessary, desirable or required for any activities carried out under the expanded Property Development Business, the Group will apply for the requisite licences and/or permits.

2.7 Financing

The Company intends to fund the proposed expansion of the scope of the Group's Property Development Business through a combination of internal sources of funds, proceeds from any future exercise of warrants by its warrant holders, and borrowings from financial institutions. As and when necessary and deemed appropriate, the Group may explore secondary fund raising exercises by tapping the capital markets, including but not limited to rights issues, share placements and/or issuance of debt instruments.

2.8 Financial effects of the proposed expansion of the scope of the Group's Property Development Business

As at the Latest Practicable Date, the Company is unable to determine the financial impact of the proposed expansion of the scope of the Group's Property Development Business on the Group's net profits, NTA per Share or EPS for the current financial year as the proposed expansion of the scope of the Group's Property Development Business has yet to be effected.

2.9 Risk factors relating to the proposed expansion of the scope of the Group's Property Development Business

The proposed expansion of the scope of the Group's Property Development Business involves a number of risks, some of which, including market, liquidity, credit, operational, legal and regulatory risks, could be material. To the best of the Directors' knowledge and belief, the risk factors which are material to Shareholders in making an informed decision on the proposed expansion of the scope of the Group's Property Development Business have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the expanded Property Development Business, this may have a material and adverse impact on the expanded Property Development Business and consequently, the overall results of operations, financial condition and prospects of the Group could be similarly impacted.

The risks described below are not intended to be exhaustive. New risk factors emerge from time to time, and it is not possible for the management to predict all risk factors, nor can the Group assess the impact of all factors on the expanded Property Development Business or the extent to which any factor, or combination of factors, may affect the expanded Property Development Business. There may also be other risks associated with the entry into the expanded Property Development Business which are not presently known to the Group, or that the Group may

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currently deem immaterial and as such, have not been included in the discussion below. Shareholders should evaluate carefully the following considerations and the other information in this Circular before deciding on how to cast their votes at the EGM.

The Group has limited prior track record and operating history in the expanded Property Development Business

As the Group has a limited track record in carrying out some aspects of the expanded Property Development Business, there is no assurance that the expanded Property Development Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the expanded Property Development Business. The expanded Property Development Business may require sizeable capital commitments, especially in the area of engaging in building and construction activities and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The expanded Property Development Business also involves business risks including the financial costs of setting up new operations, procuring of new machinery required for construction activities and capital investment and meeting working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the expanded Property Development Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group may not have the ability or sufficient expertise to carry out the business and operations under the expanded Property Development Business

The Group's ability to successfully expand the scope of the Property Development Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the expanded Property Development Business. There is no assurance that the Group's existing experience and expertise will be sufficient for the expanded Property Development Business, or that the Group will be able to hire employees with the relevant experience and knowledge.

For the business of providing architectural and design services, the Group may face difficulty recruiting and retaining technical personnel, skilled labour and professionals such as architects, designers and engineers and consultants due to the specialised nature of such professions. The market for qualified architects, engineers and consultants is competitive and the failure to recruit or retain any such qualified personnel to meet the Group's business requirements may materially affect the Group's expansion plans into this area. For the business of providing realtor services, as the bulk of the revenue would come from the commissions earned by the property sales and leasing professionals, the success of any realtor business of the Group is highly dependent on the ability of the Group to hire and retain competent agents and professionals whom are able to generate revenue for the Group. For the business of providing brokerage services of mortgage loans and title insurance services, the Group's success is highly dependent on the Group's ability to hire and retain high quality agents. Due to the specialised nature of this area of business, the Group may face intense competition in the employment of its agents.

The Group may also appoint third-party professionals, third-party contractors and/or foster partnerships with various third-parties to assist it in undertaking the expanded Property Development Business more effectively and efficiently. However, there is no assurance that these third-party professionals and/or contractors will be able to deliver and/or that these partnerships will be successful.

In the event that the Group and its partners' existing employees do not have the sufficient expertise to carry out the business and operations under the expanded Property Development Business, the Group may not be able to successfully implement the expanded Property Development Business and this may adversely affect the Group's financial performance and profitability.

LETTER TO SHAREHOLDERS

The Group may not be able to provide the capital investments needed to undertake the expanded Property Development Business

The expanded Property Development Business may require substantial capital investments or cash outlay. In particular, the proposed expansion into the construction business may require substantial capital expenditure for the purchase of machinery and vehicles, as well as raw materials from suppliers. A substantial amount of working capital may also be required to fund the Group's construction projects before the progress payments for the construction works are paid to the Group. There is no assurance that financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects may be adversely affected.

Additional debt funding is subject to interest payments and interest rate fluctuations and may also be subject to conditions that restrict or require consent for corporate restructuring, additional financing or fund raising and requirements on the maintenance of certain financial ratios. These conditions may reduce the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry and increase the Group's vulnerability to general adverse economic and industry conditions.

The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances

Depending on available opportunities, feasibility and market conditions, the proposed expansion of the scope of the Group's Property Development Business may involve acquisitions, joint ventures and/or strategic alliances with third-parties. Participation in joint ventures, strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisitions or opportunities. Furthermore, the Group may expect to rely on its joint venture partners or strategic alliance partners at the initial stage of its foray into the expanded Property Development Business and there is a risk that if any of its joint venture partners or strategic alliance partners is unable to deliver its obligations or commitments under the joint venture or strategic alliance (such as failure to perform according to the expertise expected of the joint venture partner or strategic alliance partner), it may cause delay in the completion of the Group's projects under its expanded Property Development Business and/or result in additional costs to the Group. In such events, the Group's financial performance may be adversely affected.

The Group is subject to various government regulations in the expanded Property Development Business

Licences, permits, certificates, consents or regulatory approvals may be required for, among other things, general building and construction work, piling works, ground support and stabilisation works and addition and alteration works. For example, the property development business in Singapore requires a housing developer's licence, while building works require various different classes of licences issued by the Commissioner of Building Control, Singapore. If the Group fails to obtain the requisite approvals, it will be unable to undertake the relevant segment of the expanded Property Development Business.

The Group must also comply with the applicable laws and regulations in the expanded Property Development Business in relation to workplace health and safety, environmental public health and environmental pollution control, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its properties which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

A further example of such applicable laws and regulations in the expanded Property Development Business is the business of providing brokerage services of mortgage loans and title insurance services in the USA. In the USA, the Real Estate Settlement Procedures Act ("RESPA") and state

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real estate brokerage laws restrict payments which real estate brokers and other service providers in the real estate industry may receive or pay in connection with the sales of residences and referral of settlement services, including but not limited to mortgages, homeowners insurance and title insurance. The real estate brokerage business is highly regulated and the Group must comply with the requirements governing the licensing and conduct of real estate brokerage and brokerage-related businesses in the jurisdictions in which the Group does business. These laws and regulations contain standards for and prohibitions on the conduct of real estate brokers and agents, including those relating to licensing of brokers and agents, fiduciary and agency duties, administration of trust funds, collection of commissions, advertising and consumer disclosures.

In the event that the Group and/or any of its intended partners fails to obtain the requisite licenses, permits and/or approvals in relation to the provision of real estate brokering services for mortgage loans and title insurance, construction, realtor services and the other areas which the Group intends to expand into, the Group's expansion in such areas may be partially or completely impeded. Further, even if the Group is able to procure all required licenses, permits and approvals for the conducting of the expanded Property Development Business any changes in applicable laws and regulations could result in higher compliance costs for the Group. There is no guarantee that the Group will have sufficient funds to address any such increase in compliance costs.

The Group may face overseas expansion risks, including but not limited to fluctuations in foreign exchange rates that may result in the Group incurring foreign exchange losses

The Group intends to expand into overseas markets to conduct its expanded Property Development Business as and when the opportunity arises. Overseas expansion involves numerous risks, including but not limited to the financial costs of setting up overseas operations and working capital requirements. There is no assurance that the Group's overseas operations will achieve a sufficient level of revenue which will cover the Group's operational costs and if the Group fails to manage such costs, the Group's results of operations and financial position may be adversely affected.

As the Company's functional and presentation currency is denominated in S\$, any depreciation and/or appreciation in foreign exchange rates against the S\$ may affect the Group's profitability and financial position. For example, project revenue derived from the Group's construction or architecture services projects overseas which is denominated in foreign currencies may have an adverse impact on the Group's operating results if there is unfavourable fluctuation of the foreign currencies against the S\$.

The expanded Property Development Business is subject to the general risk of doing business overseas

As the Group intends to embark on the expanded Property Development Business overseas, the Group may be subject to general risks in doing business overseas. These general risks include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, potentially adverse tax consequences, legal uncertainty regarding liability, tariffs and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits, any of which could materially affect the overseas operations of the Group. These risks may affect the Group's business and financial condition. In particular, if the governments in the jurisdictions which the Group intends to undertake the expanded Property Development Business tighten or otherwise change their laws and regulations relating to the repatriation of their local currency, it may adversely affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group may be adversely affected.

The financial performance of the Group's expanded Property Development Business may fluctuate from period to period and the fluctuations make it difficult to predict their future performance

The Group's expanded Property Development Business is vulnerable to revenue volatility, which is characteristic of property development companies. As the Group's Property Development Business derives its revenue from the sale of properties, its financial performance is affected by

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the demand for its properties and the price at which it is able to sell them. As such, the level of revenue that the Group can achieve is subject to fluctuations and is dependent on, amongst others, the demand for the Group's development projects, the value and number of property development projects, general conditions of the property market, government regulations and the overall schedules of its projects. Accordingly, it is susceptible to revenue volatility between financial periods. In the event that the Group is not able to continually and consistently secure new projects, it would have an adverse impact on its future financial performance. In addition, there may be a lapse of time between the completion of its existing projects and the commencement of subsequent projects. As such, its financial performance during such periods may be adversely affected. As such, there is no assurance that the amount of revenue and profits from the Group's sale of development properties will remain comparable each year. In the event that the Group undertakes fewer or no new property development projects for any reason or if there is any delay in the progress of any of the property development projects, the Group's revenue and profits recognised in that financial year, and accordingly its financial position may be adversely affected. Any ancillary services provided under the Group's expanded Property Development Business in relation to the property development projects of the Group may also be adversely affected.

The Group may be subject to non-payment or late payment risks

For the new services which the Group intends to venture into under the expanded Property Development Business, and especially in relation to the Group's intended building and construction projects, the Group faces uncertainties over the timeliness of clients' payments and their solvency or creditworthiness.

There is no assurance that the Group will be able to collect any progress payments for building and construction projects, or project payments for architectural and design services, property management services, relator services and/or services related to home ownership rendered on time or at all. In the event that there are defaulting clients or employers, or a significant delay in collecting progress payments from clients or employers, the Group may face stress on its cash flow and a material increase in bad and doubtful debts, which may have an adverse impact on the Group's financial performance and working capital position.

The Group may face potential liability and claims by customers, employers, suppliers and/or contractors

For the business of providing construction and building services, the time required for completing a building and construction project depends on various factors, including the size of the project, prevailing market conditions and availability of resources. Delays may arise due to various factors, including but not limited to adverse weather conditions, natural calamities, power failure, machinery and equipment breakdown, shortage of construction materials, shortage of labour, accidents, cessation of business of the Group's contractors, disputes with contractors and unexpected delay in obtaining required approvals. Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability or lead to claims for liquidated damages from purchasers of the properties or clients for building and construction projects. Accidents during the course of construction may give rise to personal injuries and third-party liability. In addition, the Group may be involved from time to time in disputes with various parties such as sub-contractors, employers, suppliers, construction companies, consultants and other partners for various reasons, including differences in the interpretation of acceptable quality standards of workmanship, material used, adherence to contract specifications and costs of variation orders. These disputes may lead to legal and/or other proceedings. If the Group is unable to manage such risks, the Group's business and financial position may be affected if any compensation or damages is payable by the Group.

For the business of providing realtor services and brokerage of mortgage loans and title insurance, the Group's agents may take actions that may invite liability for the Group. The Group may not be able to exercise a tight control over the day-to-day actions of brokers and agents who work for the Group under the Group's proposed realtor services business and brokerage of mortgage loans and title insurance business, due to the nature of the work of the agents. In the

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event that the Group's agents or brokers conducts their business in a manner which is inconsistent with industry regulations or standards, the Group may become subject to liability claims based upon the actions of its agents and brokers. Any such incidence may adversely affect the Group's reputation, as well as the financial position of the Group if any compensation or damages is payable by the Group in relation to any liability claims.

The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

The Group will, where appropriate, obtain insurance policies to cover losses and claims with respect to its proposed new businesses under the proposed expanded Property Development Business. However, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events, including but not limited to natural disasters like earthquakes or floods. Losses arising out of damage to the Group's properties not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which may also adversely affect the financial performance of the Group.

The Group is subject to changes in economic situation, government regulations and the property industry for the expanded Property Development Business

The performance of the expanded Property Development Business depends largely on the economic situation and the performance of the property industry and there is no assurance that the property sectors of countries in which the Group undertakes the expanded Property Development Business will continue to grow. Should the economy or the property market experience a downturn, whether globally or in any country in which the Group undertakes the expanded Property Development Business, the performance of these segments may be adversely affected. In addition, as the gestation period for a property development project is long, typically several years, any downturn in the economy or the property market, or any changes in government regulations during the course of a development project may affect the profitability or success of such development project and any ancillary services provided under the Group's expanded Property Development Business in relation to the property development project, thereby adversely affecting the Group's financial performance.

Changes in the business environment in jurisdictions in which the Group operates may include delays in procuring the necessary relevant approvals, licenses or certificates from government bodies, changes in laws, regulations and policies in relation to the expanded Property Development Business, fluctuations in demand for properties, unexpected weather conditions leading to delays in construction schedules, labour disputes and fluctuation in costs of construction materials. Such changes may cause delays in the Group's projects or result in the Group incurring additional costs, thus affecting the profitability of the Group.

The Group's building and construction projects may be affected by cost overruns and/or increases in costs

In relation to the proposed expansion into building and construction, unforeseen circumstances, including but not limited to adverse soil conditions, unfavourable weather conditions, unanticipated construction constraints at worksites, increase in the costs of labour, construction materials, equipment, rental and sub-contracting services, unanticipated variations in labour and equipment productivity over the term of a development, or corrective measures for poor workmanship may arise in the course of the Group's building and construction projects and may result in additional unanticipated costs over and above the initial budget. Where these costs overruns cannot be passed onto customers, the Group may have to absorb the cost overruns and may suffer losses on the project. The Group's profitability and financial performance may be materially and adversely affected.

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The Group's building and construction projects are dependent on the services rendered by contractors

In relation to the proposed expansion into building and construction, the Group may rely on main contractors and sub-contractors to provide various services for the Group's building and construction projects, including but not limited to piling and foundation works, structural works, architectural works and engineering works. The services rendered by the Group's contractors may not be satisfactory to the Group or meet the Group's requirements for quality. Furthermore, the contractors engaged may experience financial or other difficulties that may affect their ability to carry out the work for which they are contracted to complete, thus delaying the completion of, or failing to complete, the projects and resulting in additional costs or exposures to the risk of liquidated damages to the Group. In the event of any loss or damage which arises from the default of such contractors, the Group may have to incur losses to rectify such defects, materially and adversely affecting the Group's financial performance and financial condition.

The Group's building and construction works businesses may be adversely affected by any shortage in the supply of workers or increases in the costs of hiring workers

In relation to the proposed expansion into building and construction, the construction of property development projects, addition and alteration works and building works is highly labour intensive, and is therefore especially vulnerable to any shortage in the supply of, or increases in the costs of workers. Such changes in the supply of workers may result from changes in government policies. In the event of any disruption to the supply of workers, or if the costs cannot be controlled, the overall construction costs may increase and the Group's financial performance may be materially and adversely affected.

The Group's building and construction projects may be affected by disruptions of the supply of raw materials

In relation to the proposed expansion into building and construction, the Group is likely to be dependent on its suppliers for timely delivery of raw materials and it is unable to assure Shareholders that its suppliers will be able to deliver the necessary raw materials on time. In addition, the Group may not maintain a large inventory of raw materials and will likely place orders for acquiring raw materials in advance before the commencement of any project. In the event that the Group's suppliers default on their contractual obligations or in the event of a disruption to the supply of raw materials, the Group may be unable to source raw materials from alternative suppliers in a timely manner and at competitive prices, or at all, and the Group's contractual obligations to its customers will in turn be affected. In such an event, the Group's business and results of operations may be adversely affected.

While the Group will try to minimise the disruptions to its supply of raw materials by procuring from reputable suppliers and taking into consideration the delivery time for raw materials when planning each project's schedule, the Group is unable to provide any assurance that it will at all times be able to find a supplier that is able to supply the raw materials of a quality, quantity, price and/or delivery time acceptable to the Group, taking into account various project schedules. Should there be a disruption to the Group's supply of raw materials, its ability to complete a project in time may be affected, which may have an adverse effect on the Group's business and results of operations.

The Group's expanded Property Development Business may be affected by any delays or failures in completion of projects

The timely completion of the Group's projects will be dependent upon many factors, some of which are beyond the Group's control such as obtaining permits with conditions which are acceptable to the Group, obtaining regulatory approvals as scheduled, adequate supply of labour, favourable weather conditions, ability to secure construction materials in adequate amounts and at reasonable prices, absence of or minimal disputes with contractors, absence of or minimal instances of accidents, changes in the priorities and policies of the government, reliability and the satisfactory performance of building contractors appointed to complete the Group's development projects. There can be no assurance that any adverse changes in these factors will not lead to

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unforeseen and significant delays in the completion of the Group's projects. In the event of a failure or delay in the delivery of the Group's properties to end purchasers, the Group may be liable for potential losses in the form of liquidated ascertained damages filed by end purchasers against the Group, and may affect the profitability of any ancillary services provided under the Group's expanded Property Development Business in relation to the property development projects of the Group.

The Group's expanded Property Development Business is subject to risks caused by adverse weather conditions

The Group manages and monitors the costs of its development projects closely. In the preparation for its property development projects, the Group may carry out internal costing and budgeting estimates of labour and construction material costs, as well as other estimated costs to be incurred. However, due to unforeseen circumstances, delays may arise as a result of adverse weather conditions and natural calamities. Exposure to such external factors may affect the timely completion and launch of the Group's property development projects and may lead to cost implications that may bring about cost overruns. In such an event, the Group's profitability under its existing Property Development Business, or the ancillary services under the Group's expanded Property Development Business in relation to the property development projects of the Group may be affected.

The Group's building and construction projects may be affected by safety violations at its construction sites

In relation to the proposed expansion into building and construction, in the event that the Group's construction sites contravene the requisite safety standards imposed by the regulatory authorities, the Group could be issued stop-work orders in respect of the particular construction site. The issuance of such stop-work orders may severely disrupt the Group's operations and lead to a delay in the completion of a project. These circumstances may not only generate negative publicity and adversely affect the Group's market reputation, but may also have a material adverse impact on the Group's business, results of operations and financial condition.

The Group may be subject to environment liability as a result of its role as a property manager of real estate

In relation to the proposed expansion into property management, various laws and regulations impose liability on real property owners or operators for the cost of investigating, cleaning up or removing contamination caused by hazardous or toxic substances at a property. In the Group's role as a property manager, the Group could be held liable as an operator for such costs. This liability may be imposed without regard to the legality of the original actions and without regard to whether the Group knew of, or were responsible for, the presence of the hazardous or toxic substances. If the Group fails to disclose environmental issues, the Group may also be liable to a buyer or lessee of a property. If the Group incurs any such liability, the Group's business could suffer significantly as it could be difficult for the Group to develop or sell such properties, or borrow funds using such properties as collateral. In the event of a substantial liability, the Group's insurance coverage may be insufficient to pay the full damages, or the scope of available coverage may not cover certain of these liabilities. Additionally, liabilities incurred to comply with more stringent future environmental requirements could adversely affect the Group's business.

A significant increase in private sales of residential property, including through the Internet, may have a material adverse effect on the Group's business, prospects and results of operations

A significant increase in the volume of private sales completed without the involvement of a full-service real estate agent or using a low cost provider due to, for example, increased access to information on real estate listings over the Internet and the proliferation of websites and online tools that facilitate private sales, and a corresponding decrease in the volume of sales through real estate agents may have a material adverse effect on the Group's business, prospects and results of operations in relation to the provision of relator services under the Group's expanded Property Development Business.

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The expanded Property Development Business will be subject to risks in relation to interest rate movements

Risks arising from interest rate movements, particularly as a result of the debts that may be undertaken to finance developments and the cost of building materials in its operations, may affect the Group's expanded Property Development Business. Changes in interest rates will affect the Group's interest income and interest expense from short-term deposits and other interest-bearing financial assets and liabilities which could have a material and adverse effect on the profitability of the Group. An increase in interest rates would also adversely affect the willingness and ability of prospective customers to purchase properties, the Group's ability to service loans and its ability to raise and service long-term debt.

Occurrence of events beyond the control of the Group, including but not limited to natural catastrophes, war and terrorist attacks

The Group's business and operations may be materially and adversely affected by events beyond the control of the Group, including but not limited to natural catastrophes, war and terrorist attacks. Natural catastrophes such as the outbreak of fire, flood and earthquake may materially and adversely affect the economy, infrastructure and livelihood of the geographical locations in which the Group may operate in. There can be no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have a material and adverse effect on the Group's business and operating results.

2.10 Risk management measures and safeguards

2.10.1 Proposed risk management measures and safeguards for the proposed expansion of the scope of the Group's Property Development Business

To address the risks presented by the proposed expansion of the scope of the Group's Property Development Business to the Group, the Board has tasked the Audit and Risk Management Committee with the responsibility of overseeing the risk management activities of the expanded Property Development Business. The Audit and Risk Management Committee will be required to approve appropriate risk management procedures and measurement methodologies, and be involved in identifying and managing the various business risks for the expanded Property Development Business.

Mr Chan Heng Fai and the Company's senior management will oversee the hiring, and will review the suitability of potential employees and professionals to be engaged to carry out the proposed expansion of the scope of the Group's Property Development Business.

The Group will endeavour to ensure that the risk management systems implemented are commensurate with the risk and business profile, nature, size and complexity of operations and business activities of each of its subsidiaries engaged in the expanded Property Development Business, and will review such risk management systems periodically to assess adequacy.

2.10.2 Additional proposed risk management measures and safeguards for the expanded Property Development Business

The Board, with the recommendation of the Audit and Risk Management Committee, will adopt internal policies and procedures for the management to consider before tabling proposals for any new projects or investments under the expanded Property Development Business for the Board's consideration. Such policies and procedures will require the management to consider factors such as:

- (a) projected rate of return of projects or investments;
- (b) project or investment capital involved;
- (c) cash flow requirements of the proposed project or investment;
- (d) estimated profit margins;

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- (e) type of investment or project;
- (f) project location (where applicable);
- (g) borrowing costs involved (where applicable); and
- (h) prevailing local and general market conditions.

Investments above an internally-determined threshold (as approved by the Board) must be specifically approved by the Audit and Risk Management Committee. In addition, the Board and the Audit and Risk Management Committee, which review the risk exposure of the businesses of the Group at regular intervals, will review the risk exposure of the expanded Property Development Business at intervals of not less than annually.

The risk management and internal control system, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. As such, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Group and/or its employees, disruption to the risk management system, and an adverse effect on the Group's financial condition and results of operations.

As at the Latest Practicable Date, the Audit and Risk Management Committee comprises Mr Basil Chan (Chairman), Mr Tao Yeoh Chi and Mr Chan Yu Meng.

3. THE DIVERSIFICATION OF THE GROUP'S BUSINESS INTO THE PROPOSED BIOMEDICAL BUSINESS

3.1 Introduction

The Directors are seeking Shareholders' approval for the diversification of the Group's business to include the Proposed Biomedical Business at the EGM to be convened as set out in the Notice of EGM.

This Section is intended to provide Shareholders with information relating to and explaining the rationale for the Group's diversification into the Proposed Biomedical Business.

3.2 Background Information and Rationale

3.2.1 Existing business of the Group

The existing business of the Group comprises of three core business divisions, namely:

- (a) the Property Development Business;
- (b) the Investment Business; and
- (c) the Information Technology Business.

At its inception, the Group was principally engaged in building construction activities specialising in main building works and general building works for residential and commercial buildings for the public and private sectors in Singapore, as well as the provision of leasing and installation of access equipment systems services.

At an extraordinary general meeting of the Company held on 20 November 2013, the Company sought for and obtained Shareholders' approval to diversify into the Property Development Business. For detailed information on the Property Development Business, please refer to Section 2 of this Circular.

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At an extraordinary general meeting of the Company held on 20 November 2013, the Company sought for and obtained Shareholders' approval to diversify into the Investment Business. At that time, the scope of the Investment Business pertained to the business of investing in property-related quoted securities and a range of property-related instruments such as funds and bonds.

Subsequently, the scope of the Investment Business was expanded pursuant to an extraordinary general meeting of the Company held on 18 June 2014, whereby the Company sought for and obtained Shareholders' approval to expand the scope of the Investment Business to the business of investments in securities of companies with growth potential which may include equity, convertible securities and instruments such as bonds or funds.

At an extraordinary general meeting of the Company held on 10 December 2015, the Company further sought for and obtained Shareholders' approval to expand the scope of the Investment Business to include the following:

- (a) investing in quoted and/or unquoted securities on various aspects on investment such as providing seed, mezzanine and other forms of capital to listed companies and/or private companies with potential of business growth and trade sales as an integral part of merger & acquisition, which may also include undertaking business incubation and angel investments as part of the corporate strategies and business development of the investee companies;
- (b) pre-initial public offer investments, which involve investing in shares of companies which may proceed to be listed on any internationally recognised stock exchange via initial public offerings or via reverse takeovers (or similar process);
- (c) trading in quoted securities (including equities trading), buying and selling of unquoted securities;
- (d) trading in futures, commodities, bonds, funds and other derivatives and financial products (whether quoted on any stock exchange or unquoted);
- (e) investing in REITs; and
- (f) investing in private equity funds, hedge funds and funds of funds.

At an extraordinary general meeting of the Company held on 5 August 2014, the Company sought for and obtained Shareholders' approval to diversify into the Information Technology Business. The scope of the Information Technology Business pertains to the business of software and hardware development technology services offering to end-users and businesses (including telecommunication services providers) in such areas including (but not limited to) mobile internet and cloud computing technology.

The Company intends to diversify the Group's core business into the Proposed Biomedical Business, which shall include the business of developing, researching, testing, manufacturing, licensing and distributing (via retail, direct selling, network marketing or e-commerce) products and/or services in the area of biomedical science, biomedical healthcare and biotechnology. The area of biomedical science, biomedical healthcare and biotechnology may include (but not be limited to) the following:

- (a) treatment, inhibition, prevention of, or related to neurological disorders, chronic diseases and/or viral infections or diseases;
- (b) oncology and immunotherapy;
- (c) mosquito control;
- (d) indoor air quality control;

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- (e) international infection; and/or
- (f) general health and wellness.

The Proposed Biomedical Business will not be restricted in application to any particular sector, industry or geographical area.

Similar to the proposed expansion of the Property Development Business, the Proposed Biomedical Business is part of the Group's business expansion and corporate recovery strategy. The Group intends to engage in the Proposed Biomedical Business on a prudent basis with discretion.

Previously on 18 November 2016, the Group announced that its wholly owned investment holding subsidiary, SeD Capital Pte Ltd, has incorporated SeD Biomed International as a wholly owned subsidiary in Singapore. It was announced that SeD Biomed International will be principally involved in investment holdings in the biomedical sector, including holding stakes in companies which hold biomedical intellectual properties, which offer consultancy services in the field of biomedical science and/or which have, or are securing, strategic alliances, partnerships and distribution rights for biomedical products, technologies or enterprises. The Company has also announced, amongst other things, a proposed collaboration with GRDGS and Holista. Subject to Shareholders' approval for the diversification into the Proposed Biomedical Business, it is contemplated that definitive agreements may be entered into between the Company, GRDGS and Holista to formalise the proposed collaboration, and for them to form a part of the Proposed Biomedical Business. Further details can be found in the Company's announcement dated 18 November 2016.

The Group may also explore joint ventures and/or strategic alliances with third-parties who have the relevant expertise and resources to carry out the Proposed Biomedical Business as and when the opportunity arises. The decision on whether a project should be undertaken by the Group on its own or in collaboration with third-parties will be made by the Board after taking into consideration various factors, including but not limited to the nature and scale of each project, amount of investment required and risks associated with such an investment, nature of expertise required, the period of time that is required to complete the project and conditions in the market, taking into account the opportunities available.

3.2.2 Rationale for the diversification of the Group's business into the Proposed Biomedical Business

The Company believes that the diversification of the Group's business into the Proposed Biomedical Business represents an opportunity to explore, evaluate and establish new and profitable business segments for the Group. The diversification of the Group's business into the Proposed Biomedical Business is one of the Group's strategies to diversify and expand its revenue streams by tapping into the growing biomedical industry sector as part of its future business direction.

The Company notes that the biomedical industry sector in Singapore as well as overseas has seen significant growth in recent years. Demand for products and services in the biomedical industry has remained strong and may be expected to continue to rise, fuelled by the prevalence of neurological diseases, chronic diseases, outbreaks of infectious diseases and viral diseases worldwide.

Alzheimer's disease and chronic diseases such as cancer and cardiovascular diseases have been and remain some of the leading causes of death worldwide. In particular, the U.S. Department of Health and Human Services, Centers for Disease Control and Prevention ("**CDC**"), and the National Center for Health Statistics published a report in 2015 which showed that in 2014, heart disease and cancer (malignant neoplasms) were ranked first and second as a leading cause of death in the USA and Alzheimer's disease was ranked sixth. Based on information published by the CDC, outbreaks of mosquito-borne diseases have been reported in various regions around the world, including the Zika virus outbreak which has been reported in various regions including

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the Americas, the Pacific Islands, Singapore and Thailand. Based on information published by the World Health Organisation (“WHO”), outbreaks of infectious diseases such as the Middle East respiratory syndrome coronavirus (MERS-CoV), and the avian influenza A (H7N9) virus continue to be reported as of late 2016. The Group recognises the continual demand for products and services in the biomedical industry to respond to the aforementioned ongoing events and trends and intends to diversify into this area of business.

3.2.3 Flexibility to enter into transactions relating to the Proposed Biomedical Business in the ordinary course of business

Pursuant to Rule 1014 of the Catalist Rules, an acquisition is a major transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% but is less than 100%, and a disposal is a major transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 50% (a “**Major Transaction**”). A Major Transaction must be made conditional upon approval by shareholders in general meeting.

Pursuant to Practice Note 10A of the Catalist Rules, save where the acquisition changes the risk profile of the issuer, shareholders’ approval is not required for a Major Transaction if the acquisition will result in an expansion of the issuer’s existing core business. Practice Note 10A of the Catalist Rules further states that the SGX-ST takes the view that it should not in normal circumstances require an issuer to seek shareholders’ approval if the expansion is by way of an acquisition of a similar business, when other means to expand its business that are open to the issuer would not require shareholders’ approval.

Following the receipt of Shareholders’ approval for the proposed expansion of the scope of the Proposed Biomedical Business, save for the first Major Transaction (the “**First Major Transaction**”) involving the Proposed Biomedical Business (or, where any of the Rule 1006 figures in respect of several transactions aggregated (the “**Aggregated Transactions**”) over the course of a financial year exceeds 75%, the last of the Aggregated Transactions), the Group will, in its ordinary course of business, be able to enter into any transaction relating to the Proposed Biomedical Business without the need for further Shareholders’ approval, even though such transaction constitutes a Major Transaction, so long as such transaction does not change the risk profile of the Group. This substantially reduces the administrative time and expenses in convening separate general meetings to seek Shareholders’ approval and consequently, facilitates the Group’s pursuit of its corporate objectives and increases the Group’s responsiveness to opportunities arising under the Proposed Biomedical Business.

For the avoidance of doubt, notwithstanding the diversification of the Group’s business to include the Proposed Biomedical Business, in respect of transactions:

- (a) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100% or results in a change in control of the Company, Rule 1015 of the Catalist Rules will still apply and such transactions must be, among others, made conditional upon approval by Shareholders in general meeting; and
- (b) which constitute an “interested person transaction” as defined under the Catalist Rules, Chapter 9 of the Catalist Rules will apply and the Company will comply with the provisions of Chapter 9 of the Catalist Rules.

Rule 1005 of the Catalist Rules states that the sponsor may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. The SGX-ST retains the discretion to determine whether the aggregation was correctly applied, and/or to direct the sponsor to aggregate other transactions.

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Pursuant to Clause 7(b) of Practice Note 10A of the Catalist Rules, should an acquisition change the risk profile of the issuer, shareholders should have an opportunity to have their say on the proposed acquisition. This is so notwithstanding that the acquisition will not change the main business of the issuer.

Clause 7(c) of Practice Note 10A of the Catalist Rules sets out the following factors that will be considered in determining whether the risk profile of the issuer has been changed:

- (a) whether the acquisition will increase the scale of the issuer's existing operations significantly. An acquisition is regarded as increasing the scale of operations significantly if any of the relative figures computed on the bases set out in Rule 1006(c) and 1006(d) is 100% or more. Rule 1015 requires shareholders' approval to be obtained for such an acquisition regardless of whether the acquisition is treated as in the issuer's ordinary course of business. Such an acquisition may be treated as a very substantial acquisition;
- (b) whether the acquisition will result in a change of control of the issuer. Rule 1015 requires shareholder's approval to be obtained if the acquisition will result in a change in control of the issuer regardless of whether the acquisition is treated as in the issuer's ordinary course of business. Such an acquisition may be treated as a reverse takeover;
- (c) whether the acquisition will have a significant adverse impact on the issuer's earnings, working capital and gearing;
- (d) the extent to which the acquisition will result in an expansion of the issuer's business to a new geographical market and/or a new business sector; and
- (e) the extent to which the intended expansion has been foreshadowed and investors have had an opportunity to vote at previous general meetings on
 - i. the issuer's proposal; or
 - ii. waiving their rights to approve the issuer's proposal.

Clause 7(d) of Practice Note 10A of the Catalist Rules further provides that the factors in determining whether an acquisition would change the issuer's risk profile as enumerated in Clause 7(c) of Practice Note 10A of the Catalist Rules are neither exhaustive nor conclusive.

3.3 Management and relevant expertise

Although the Proposed Biomedical Business is different from the existing business of the Group, the Board recognises that the relevant experience and expertise required can be acquired and developed by the Group over time. As such, the Group is in the midst of appointing suitable candidate(s) to manage the Proposed Biomedical Business and will update the Shareholders and make the necessary announcements as and when appropriate. The strategic management of the Proposed Biomedical Business shall be jointly managed by the Group's Executive Director and Chief Executive Officer, Mr Chan Heng Fai and the management of the Proposed Biomedical Business (whom the Company will appoint). Where necessary, the Group will hire external consultants, industry experts and professionals. The Group may also outsource certain functions where appropriate and in doing so, the Group will take into account the specific expertise and competencies necessary for the Proposed Biomedical Business.

The Company may also benefit from the expertise, track record and experience of its potential joint venture partners in the Proposed Biomedical Business, such as Dato Dr Rajen. M, the founder and Chief Executive Officer of Holista (a research-driven biotechnology company listed on the Australian Securities Exchange) and two-time Nobel Prize nominee, biochemist Daryl L. Thompson. Daryl L. Thompson has a successful record of developing and patenting technologies in the healthcare and related food industries. Among these, he developed and branded an

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internationally patented natural-based therapeutic formula for diabetes and obesity, trademarked as Emulin®. He also designed a non-invasive medical device to measure blood glucose levels for the Diabetes Resource Center which earned the Diabetes World Humanitarian Award in 1998.

3.4 Licences

As and where necessary and if required, or where any research or marketing activities carried out under the Proposed Biomedical Business requires any particular licences, permits and/or approval, the Group will apply for the requisite licences, permits and/or approvals for the Proposed Biomedical Business. Where it is not possible or practicable for the Group to obtain such required licences, permits and/or approval, the Group intends to seek strategic partnerships or collaborations with entities which are in possession of such required licenses, permits and/or approval.

3.5 Financing

The Company intends to fund the diversification into the Proposed Biomedical Business through a combination of internal sources of funds, proceeds from any future exercise of warrants by its warrant holders, and borrowings from financial institutions. As and when necessary and deemed appropriate, the Group may explore secondary fund raising exercises by tapping the capital markets, including but not limited to rights issues, share placements and/or issuance of debt instruments. In the short and medium term, the Group is also exploring the option of obtaining grants which may be available for the research and development of biomedical products or treatments.

3.6 Financial effects of the Proposed Biomedical Business

As at the Latest Practicable Date, the Company is unable to determine the financial impact from the diversification of the Group's business into the Proposed Biomedical Business on the Group's net profits, NTA per Share or EPS for the current financial year as the diversification of the Group's business into the Proposed Biomedical Business has yet to be effected.

3.7 Risk factors associated with the Proposed Biomedical Business

The diversification of the Group's business into the Proposed Biomedical Business involves a number of risks, some of which, including operational, legal and regulatory risks, could be material. To the best of the Directors' knowledge and belief, all risk factors which are material to Shareholders in making an informed decision on the diversification of the Group's business into the Proposed Biomedical Business have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed Biomedical Business, this may have a material and adverse impact on the Proposed Biomedical Business and consequently, the overall results of operations, financial condition and prospects of the Group could be similarly impacted.

The risks described below are not intended to be exhaustive. New risk factors emerge from time to time, and it is not possible for the management to predict all risk factors, nor can the Group assess the impact of all factors on the Proposed Biomedical Business or the extent to which any factor, or combination of factors, may affect the Proposed Biomedical Business. There may also be other risks associated with the entry into the Proposed Biomedical Business which are not presently known to the Group, or that the Group may currently deem immaterial and as such, have not been included in the discussion below. Shareholders should evaluate carefully the following considerations and the other information in this Circular before deciding on how to cast their votes at the EGM.

The Group does not have any prior track record and operating history in the Proposed Biomedical Business

As the Group does not have a proven track record in carrying out the Proposed Biomedical Business, there is no assurance that the Proposed Biomedical Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the Proposed Biomedical Business. The

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Proposed Biomedical Business is research-intensive and may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Proposed Biomedical Business also involves business risks including the financial costs of setting up new operations, capital investment and meeting working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Proposed Biomedical Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group may not be able to provide the capital investments needed to undertake the diversification into the Proposed Biomedical Business

The Proposed Biomedical Business is research-intensive and may require substantial capital commitments or cash outlay. There is no assurance that financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects may be adversely affected.

Additional debt funding is subject to interest payments and interest rate fluctuations and may also be subject to conditions that restrict or require consent for corporate restructuring, additional financing or fund raising and requirements on the maintenance of certain financial ratios. These conditions may reduce the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry and increase the Group's vulnerability to general adverse economic and industry conditions.

Additional equity financing may result in a dilution to Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders in order to maintain their equity stake in the Company. Further, an issue of Shares below the then prevailing market price may also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

Grants obtained from any research institutes, associations, government entities, foundations, universities or any corporate entity may not be easily available and the Group may face strong competition from other similar groups, companies or teams which are involved in the same area of research. Further, even if such grants are obtained, the grants may be offered at terms and conditions which may inhibit or restrict the rights of the Group to its proprietary research or data, may be conditional upon the Group meeting certain legal, ethical or regulatory standards which may inhibit or slow down the research and development process, may involve terms as to revenue sharing of any product or services developed and may restrict the use, licensing or distribution of any product or services developed.

The Group may not have the ability or sufficient expertise to execute the diversification into the Proposed Biomedical Business

The Group's ability to successfully diversify into the Proposed Biomedical Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Proposed Biomedical Business. The Proposed Biomedical Business is a highly specialised field which requires an intricate understanding of the industry, as well as a talented and experienced team or workforce to drive operations and to deliver marketable products to generate revenue for the Group. The Group, through its proposed collaboration and engagement with GRDGS and Holista, seeks to tap on the expertise and experience of the management team GRDGS and Holista. However, there is no assurance that the Group's existing experience and expertise and/or the experience and expertise of the management team of GRDGS and Holista or any other potential partners or collaborators will be sufficient for the Proposed Biomedical Business, or that the Group will be able to hire and retain employees with the relevant experience and knowledge.

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The Group is dependent on key management and skilled personnel

The Group expects to hire the relevant employees and key management personnel for the conducting of its Proposed Biomedical Business. The Group's success to carry out the Proposed Biomedical Business will depend on its ability to attract, train, retain and motivate highly skilled and qualified employees and professionals in the relevant fields of expertise and with the relevant track record for the Proposed Biomedical Business. The biomedical sector is characterized by continuous innovation and rapid advancements in technology. The Group believes that the ability to hire talented personnel and experts in the field is critical to the Group's success. The Group faces competition for personnel from other companies, public organisations, private and public research institutions, educational institutions, government entities and other organisations for experienced management, scientists, researchers, and sales and marketing and manufacturing personnel in the biomedical sector. The Group believes that the inability to identify, hire and retain such employees and key management personnel will be detrimental to and have an adverse impact on the development and prospects of the Proposed Biomedical Business.

The Group's collaborations, joint ventures, investments or partnerships may not be successful

The Group may conduct the Proposed Biomedical Business through collaborations, partnerships, joint ventures, acquisitions and other forms of equity investments. The success of the Group's collaborations, joint ventures and partnerships depends on the Group's ability to attract collaborating parties and to enter into collaborative agreements with such parties on terms favourable to the Group. The success of the Group's acquisitions and equity investments depends on the Group's ability to identify profitable investments and to acquire such targets on terms favourable to the Group. The continual success of any collaboration, joint venture, investment or partnership is dependent upon, *inter alia*, the market conditions in the respective relevant markets, the capabilities of the respective counterparties and the ability of the Group to collaborate with the respective counterparties. Any conflict or disagreement between the Group and its counterparties in relation to any such collaboration, joint venture, partnership or investment may affect the Group's ability to realize returns from these collaboration, joint venture, partnership or investment.

The Group's proposed collaboration with GRDGS and Holista is a first step in the Group's foray into the Proposed Biomedical Business sector. Any breakdown in the relationship or business arrangement between the Group, GRDGS and Holista, or failure of either GRDGS and Holista or the Group to deliver on their commitments to any proposed collaboration may cause the collaboration to fall through and may cause the Group to incur losses, fail to realize any returns, as well as impede the Group's progress and expansion into the Proposed Biomedical Business.

There is no assurance that the Group will successfully develop new products or services which will generate revenue for the Group

The Group's success in generating revenue for the Group from the Proposed Biomedical Business is substantially dependent on its ability to develop new products or services. There is no assurance that any collaboration, venture or research and development conducted by the Group will yield any positive result or will be able to develop new available-for-sale products or new services (including but not limited to new treatments). There is also no assurance that any collaboration, venture or research and development commenced by the Group will generate revenue for the Group or will be completed within the anticipated time frame. Further, the Group cannot guarantee that the costs of such endeavour or research and development can be recovered. Products or services may fail to reach the market for a variety of reasons, including the failure to meet clinical safety, clinical efficacy or other standards, the failure to meet requirements in tests and clinical trials, the delay in obtaining or failure to obtain the necessary regulatory approvals and licensing, the failure to procure the required personnel or expertise and the failure to obtain supplies or facilities for manufacturing and production. Consequently, the Group's costs incurred for developing new products or services may not yield positive returns, and this would have an adverse impact on the Group's profitability.

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The Proposed Biomedical Business may be subject to numerous rules and regulations

Biomedical research, biomedical engineering, and the manufacturing and sale of biomedical products and services are subject to numerous regulations, rules and standards imposed by various authorities and or the legislature of the various jurisdictions which the Group intends to conduct its Proposed Biomedical Business in. In the USA, agencies responsible for regulating biotechnology and biomedical products include the US Department of Agriculture, the Environmental Protection Agency and the FDA. In Singapore, the Human Biomedical Research Bill regulates the conduct of human biomedical research and the Medicines Act (Cap. 176) of Singapore provides for the licensing of and control of all aspects of dealings in medicinal and its related products. The Centre for Pharmaceutical Administration of Singapore ensures that medicinal and health-related products in Singapore meet appropriate standards of safety, quality and efficacy. Besides the USA, and Singapore, the Group expects to conduct its Proposed Biomedical Business in other jurisdictions as and when a suitable opportunity arises. Compliance with such regulations, rules and standards may increase compliance costs for the Group, and a failure to comply with any such regulations, rules and standards may harm the Group's sales, operations and reputation. Failure to comply with any such regulations, rules and standards may also invite fines, sanctions or penalties for the Group.

There is no assurance that the Group will be able to obtain the relevant regulatory approvals or licenses

The Group's success in the Proposed Biomedical Business is dependent on both its ability to develop new products or services, as well as the approval of the relevant authorities for the manufacturing, sale and distribution of the Group's products and services in the various jurisdictions which the Group intends to conduct its Proposed Biomedical Business. Due to the nature of the Proposed Biomedical Business, it is likely that regulatory approvals or licenses are required before the Group is able to manufacture, market, distribute or sell its products or services in various markets around the world. If the Group is unable to obtain any license or regulatory approval in any of its targeted markets or place of operations for its products or services, the time, effort and funds invested into the research and development process for such products or services may go to waste. In particular, time and money expended on clinical testing and clinical trials may be substantial. In such an event of inability of the Group to obtain the necessary approvals or licenses, the Group will not be able to monetise its products or services and the Group's revenue will hence be affected.

The Group's success is substantially dependent upon being able to obtain the regulatory approvals for the Group's products in the USA, and subsequently or concurrently, other parts of the world. Before the FDA grants its approval for a drug to be marketed and sold, the FDA requires the drug to undergo significant clinical trials to determine its safety and efficacy for its intended users. Clinical trials are costly and uncertain processes that may take years to complete. Products in clinical trials may fail to show desired efficacy and safety traits despite early promising results or may be revised or negated by the FDA or other regulatory authorities.

Data already obtained, or that in the future may be obtained, from non-clinical studies and clinical trials are not necessarily indicative of the results that will be obtained from subsequent non-clinical studies and clinical trials. Moreover, non-clinical and clinical data are susceptible to multiple and varying interpretations, which could delay, limit or prevent regulatory approval.

The Group may not be able to obtain the requisite approvals from regulatory agencies to commence or complete these clinical trials. Even if permitted, data from laboratory tests or clinical trials of the Group's products and applications for which the Group has commenced clinical trials may not demonstrate the statistically sufficient levels of safety and/or effectiveness necessary to obtain regulatory approvals for commercialisation.

Further, the Group, or any of its partners or collaborators under the Group's Proposed Biomedical Business division, institutional review boards, or regulatory agencies may suspend clinical trials if it is believed that the subjects or patients participating in such trials are being exposed to unacceptable health risks. Adverse or inconclusive clinical trial results concerning any of the

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Group's products may require the Group to conduct additional clinical trials. If the FDA or other regulatory authorities require additional trials to be performed above those that the Group may anticipate, the Group's expenses could increase beyond its expectations, and there is no guarantee that the Group will be able to meeting project funding needs. Any delays or failure to receive FDA approval or other regulatory approvals may cause the Group to be unable to achieve its goals for product revenue and profitability, and may have a material adverse effect on the Groups overall business, financial condition and results of operations.

The market for the Group's products or services could be substantially reduced by post-approval regulatory restrictions

Even if the Group is able to successfully develop new products and services and obtain the necessary regulatory approvals and licenses for the manufacture, distribution, sale and marketing of its products and services, post-approval regulatory changes may kick in to limit the sale or use of the Group's products and services. Such post-approval regulatory changes may be a result of external factors (such as further advancements in biomedical research) or due to a post-approval determination by the relevant authorities that the Group's products or services are no longer safe or effective after a prolonged period of monitoring or testing, or in the event that the Group's consumers develop side-effects or resistance to any of the Group's products or services. The Group may be subject to such post-approval regulatory changes in the various jurisdictions or markets in which it conducts its Proposed Biomedical Business. In the event that a determination is made or restriction imposed by a regulatory authority in one jurisdiction, this may affect the manufacturing, sale, marketing or distribution of the Group's products or services in other jurisdictions in which the Group operates in.

If the Group's products or services cause undesirable side effects or have any other unexpected problems, the Group may be subject to post-approval regulatory action

Despite the Group's commitment to achieving and maintaining a tight control and the highest quality and safety standards on its intended new products and services, the Group may also be subject to post-approval regulatory actions if it is discovered that the Group's products or services have harmful side effects or any unexpected problems. Such post-approval regulatory action may include a withdrawal or recall of the Group's products, costs incurred for the addition of labels or warnings on the products, mandatory reimbursement and/or compensation to all customers for the products purchased or services rendered, modifications to the affected products or services or litigation commenced by the regulatory authorities. The reputation of the Group may suffer and the Group may incur high costs in the event that the aforementioned regulatory actions are taken against the Group for any of its products or services.

The Group faces intense competition

The biomedical sector is characterised by strong competition from many companies who target the same market as the Group. The Group believes that research and development is critical to the success of the Proposed Biomedical Business. Many of the Group's competitors have much greater financial resources and scale as compared to the Group, and are therefore able to expend more funds and effort in research and development. Many of the Group's competitors also have a long-standing track record and have accumulated expertise which far exceeds the present experience and capabilities of the Group. Accordingly, the Group's competitors will have more experience in developing and marketing biomedical products and services, as well as in conducting clinical trials and obtaining regulatory approval. The Group's competitors also have products and services which are already in the market and have hence achieved earlier patent protection or have been entrenched in the market, increasing the difficulty for the Group's products and services to achieve a breakthrough in its target markets. Besides being larger in size and scale of their operations, some of the Group's competitors in the biomedical sector have also formed inter-institutional relationships or biomedical clusters which allow them to reap the benefits of mutual exchange of information and pooling of resources, and further cement their position in the market. There is no assurance that the Group will be able to compete in its target markets within the Proposed Biomedical Business, which would have a material adverse impact on the Group's business, results of operations, financial condition and prospects.

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The Group does not have prior experience scaling its manufacturing capability or operations under the Proposed Biomedical Business, and may not be able to successfully manufacture its products or provide its services to meet commercial demand

The Group does not have prior experience in the manufacturing of products and or the provision of services under the Proposed Biomedical Business. If the Group's or any of its partner's or collaborator's products are approved by the relevant regulatory authorities for commercialisation, the Group or any of its partners or collaborators may be required to self-manufacture and/or scale up manufacturing of its products in order to push such products out in the mass market in various parts of the world.

As the Group scales up manufacturing of its products, stability testing, product, packaging, equipment and process-related issues may impede the manufacturing process of such products developed by the Group under its Proposed Biomedical Business sector. The Group may as a result, face issues such as impurities in its drugs and healthcare supplements, which may cause such drugs and healthcare supplements to be deemed unfit for use or consumption by the end consumer. In such an event, the Group may invite increased scrutiny by the regulatory agencies, delays in clinical programme and regulatory approval, and may incur additional operating expenses or losses. For the foregoing reasons, there is no assurance that the group will be able to successfully manufacture products of sufficient quality and in adequate quantities to meet demand, be in compliance with regulatory requirements and at an acceptable cost. To the extent that the Group decides to use third-party manufacturers or enter into manufacturing joint ventures with third-parties, the Group cannot be certain that the Group will be able to contract with such third-party manufacturers on acceptable terms, if at all, or that such third-party manufacturers will satisfy the Group's quality standards or meet the Group's supply requirements on a timely basis, if at all. In the event that the Group is unable to sort out any of the aforementioned issues in relation to the manufacturing of its products under its Proposed Biomedical Business sector, the Group may be unable to meet the commercial demand for its products, which would have a material adverse impact on the Group's revenue and results of operations.

As the Group scales up its operations to cope with commercial demand for its services under the Proposed Biomedical Business, the Group may also face issues such as inability to hire sufficient personnel or qualified professionals to administer its services or inability to maintain uniform and sufficient standards throughout the various geographical markets whereby the Group intends to provide its services under the Proposed Biomedical Business. There is no assurance that the Group will be able to scale its operations to meet commercial demand for its services under the Proposed Biomedical Business, which would have a material adverse impact on the Group's revenue and results of operations.

Healthcare laws and regulations may affect the pricing of the Group's products and services and may affect its profitability

In some jurisdictions and international markets, the government provides health care at low cost to consumers and regulates prices, patient eligibility or reimbursement levels to control costs of healthcare for its people. Such price regulations may affect the price-setting ability of the Group in relation to its products and services under the Proposed Biomedical Business. Further, the availability of the Group's products and services in some markets at lower prices may undermine the Group's sales in other markets with higher prices. The Group's inability to set adequate prices for its products and services in any particular country may impair the Group's ability to obtain acceptable prices in existing and potential new markets, which may materially and adversely affect the Group's product revenue, profits, financial condition and results of operations.

The Group's intellectual property rights may not be adequately protected

Intellectual property rights, particularly patent rights, play a critical role in the Group's Proposed Biomedical Business. The Group relies on intellectual property rights for the protection of future products and services to be developed under the Group's Proposed Biomedical Business. The Group's success is largely dependent on the Group being able to prevent third-parties from developing, replicating or reproducing drugs which have been developed by the Group. As such, much of the Group's success is in turn dependent on the Group's ability to rapidly identify and

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seek patent protection for its technologies and products. As the process of applying for a patent varies from jurisdiction to jurisdiction, and the process is time-consuming and may involve high costs, the Group may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. There is also no assurance that the Group will be able to meet the requirements of the various patent offices in the different jurisdictions for the grant of the Group's desired patents. The standards that patent offices in different countries use to grant patents are not always applied predictably or uniformly and may be changed.

There is no assurance that any intellectual property right or protection the Group or its partners or collaborators have or may obtain in the future will provide any competitive advantage for the Group's products or that they will not be successfully challenged, narrowed, invalidated or circumvented. Since certain patent applications are confidential until patents are issued, third-parties may have filed patent applications for technology or products covered by the Group's pending patent applications without the Group being aware of such applications, and the Group's patent applications may not have priority over patent applications of others, if any. In the event that the Group is unable to obtain adequate intellectual property protection for its services and products, there may be a material adverse effect on the Group's product revenue, profits and future business development in its Proposed Biomedical Business.

The Group may not be able to enforce its intellectual property rights throughout the world

Even if the Group manages to successfully obtain patents in various jurisdictions to protect the Group's rights, unauthorised parties may be still able to obtain and use information that the Group regards as proprietary, or may also be able to reproduce drugs which are similar to or target the same diseases as the Group's drugs without infringing on any of the Group's patents. While the Group may rely on a combination of patent, copyright and trademark laws, trade secrets, confidentiality policies, non-disclosure and other contractual arrangements to protect the Group's intellectual property, there is no assurance that the Group will be able to detect unauthorised use of its patents or take appropriate, adequate and timely actions to enforce the Group's intellectual property rights. The issuance of a patent does not guarantee that it is valid or enforceable, and therefore even if the Group obtains patents, they may not be valid or enforceable against third-parties. There is no assurance that patents owned by the Group will be sufficient to protect the Group's intellectual property or give the Group any lasting competitive advantage against its competitors.

The Group may be exposed to claims and may not be able to obtain or maintain adequate product liability insurance

The Proposed Biomedical Business is exposed to the risk of product liability and other liability risks that are inherent in the manufacturing, testing, and marketing of biomedical drugs, treatments and products. These risks exist even if a product or service is approved for commercial sale by the FDA and/or any other relevant authority and even if a product is manufactured in facilities licensed and regulated by the FDA and/or any other relevant authority. The Proposed Biomedical Business' products and services are designed to affect important bodily functions and processes. Any side effects, manufacturing defects, misuse or abuse associated with the Group's biomedical products and services could result in injury to a patient or even death. A liability claim may be brought against the Group even if the Proposed Biomedical Business' products and services merely appear to have caused an injury. Product liability claims may be brought against the Group by consumers, health care providers, pharmaceutical companies or others selling or otherwise coming into contact with the Group's products and services, among others.

A successful liability claim or series of claims brought against the Group may have a material adverse effect on the Group's business, financial conditions and results of operations. Even if the Group is successful in defending such product liability claims and no judgments, fines, damages or liabilities are ordered against the Group, the Group's reputation may suffer, which may in turn have a material adverse effect on the Group's sales and revenue.

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In the event that the Group is found liable under any such product liability claims, there is no assurance that the Group will have adequate or sufficient product liability insurance to cover amount of damages the Group may have to pay in respect of such claims. Claims in excess of any product liability insurance coverage that may be obtained by the Group or the Group's partners may have a material adverse effect on the Group's business, financial condition and results of operations. In the event that the liability incurred by the Group under such claims are substantial, the Group could face significant difficulty in continuing operations.

The distribution of the Group's products and services via direct selling methods may be subject to regulation or licensing requirements

The Group intends to engage in distribution of products and services under the Proposed Biomedical Business through various platforms, including but not limited to retail, direct selling and e-commerce platforms.

In particular, the practice of direct selling, if mismanaged, can be a subject of controversy or be criticised for devolving into fraudulent or illegal pyramid schemes or for proliferating unsavoury or unethical trade practices. The distribution of the Group's products and services via direct selling or networking marketing methods may be subject to regulation in the various jurisdictions in which the Group intends to distribute its products and services in. In Singapore, the MLM Act prohibits "pyramid selling" schemes, and its subsidiary legislation, the Exclusion Order distinguishes and exempts legitimate businesses (including network marketing and direct selling business which fall under the ambit of the Exclusion Order) from illegitimate "pyramid selling" schemes. In Malaysia, an example of regulation on direct selling exists in the form of the Direct Sales and Anti-Pyramid Scheme Act 1993.

In addition to the aforementioned regulations, there may be rules, regulations, required licenses and/or required approvals for direct selling, network marketing and/or multi-level marketing in Singapore, Malaysia, and the various jurisdictions in which the Group intends to distribute its products and services in. There is no guarantee that the Group will be able to successfully procure the required licenses or approvals, or meet the requisite criteria in the respective regulations required for the Group to be able to carry out the distribution its products and services via the direct selling or network marketing platform in the respective jurisdictions in which the Group intends to distribute its products and services in. In such an event, the Group may not be able to conduct sales of its products and services via any direct selling methods and this may have a material adverse effect on the sales revenue of the Group. Further, the compliance with such rules and regulations may increase compliance costs for the Group, and a failure to comply with any such rules and regulations may harm the Group's reputation and may also invite fines, sanctions or penalties for the Group.

The Group's business may be affected by shortages or increases in pricing of supplies of products

The Group may either develop its Proposed Biomedical Business' products and services internally, such as through its proposed collaboration with GRDGS, or through sourcing from third-parties.

Where the Group develops its products under the Proposed Biomedical Business internally, it may opt to either manufacture its products in-house, or outsource the manufacturing of its products to a third-party. In the event that there are shortages in the compounds or supplies necessary for the production of its products, of an increase in manufacturing costs of its products, the Group may be unable to pass on the price increases to its customers through an increase in selling price. This may have a material adverse effect on the Group's business, financial condition and the results of its operations. Additionally, if the Group is unable to source for such products or supplies from an alternative source, the Group may lose the trust and confidence of its clients who may be reliant on the Group for a continued supply of biomedical and healthcare products and supplements.

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Where the Group develops its services under the Proposed Biomedical Business internally (including but not limited to treatments under the Proposed Biomedical Business), the Group may face shortages in manpower or increases in manpower costs. As such, the Group may be unable to carry out such services consistently or at all. This may have a material adverse effect on the Group's business, financial condition and the results of its operations.

The Group may face force majeure and other events beyond the control of the Group

In addition to the general macroeconomic conditions and business environment of various jurisdictions and sectors of the Proposed Biomedical Business that may affect the Group's diversification into the Proposed Biomedical Business, diverse factors, including but not limited to natural disasters, epidemics, pandemics or acts of terrorism, international disputes and international treaties that affect economic and business conditions may disrupt the operations of the Proposed Biomedical Business. Consequently, the costs of funding, revenue, financial performance and business prospects of the Group may thereby be materially and adversely affected.

Any adverse publicity could have an adverse effect on the Group's business and financial performance.

The success of the Group's diversification into the Proposed Biomedical Business will rely heavily on the market's perception of the Group. This arises from the nature of the Proposed Biomedical Business, wherein integrity (and the perception thereof), trust and confidence (from purchasers, clients and counterparties) are extremely crucial. In particular, the Group's perceived ability to uphold ethical standards and produce and/or provide safe and reliable biomedical products, services and treatment suitable for end-user consumption is salient. The public's perception on the ability and capabilities of the Group or any of its partners or collaborators is also crucial in the receptiveness of the market to the Group's products under the Proposed Biomedical Business. Negative publicity or adverse reputational events (whether or not justified) associated with the Group or any of its officers or employees may adversely impact the Group's reputation and result in a loss of clients. Therefore, any perception of, or alleged mismanagement, fraud or failure to discharge legal, contractual, regulatory or fiduciary duties, responsibilities, liabilities or obligations may have an adverse effect on the Group's growth prospects, business operations and financial performance.

3.8 Risk management measures and safeguards

The Group recognises that the Proposed Biomedical Business is different from its other core businesses, namely, the Information Technology Business, the Property Development Business and the Investment Business. Before undertaking any investment in the Proposed Biomedical Business, the management will prepare a proposal containing a cost-benefit analysis, credentials of the management of the Proposed Biomedical Business, joint venture partners or co-investor partners (if any) and will, if necessary, seek the advice of external consultants and experts. The Board will also assess and consider whether the Group has sufficient financial resources to invest in the project and the gearing ratios and liquidity of the Group as a result of such a project. Further, the Board will assess whether the management team has the relevant experience and expertise to manage such a project and, if not, whether any lack of such experience can be supplemented by professional advisors. In evaluating any new projects or investments based on the aforementioned factors, the Board is guided by the overarching consideration of whether the project will be able to generate revenue for the Group and optimise returns to Shareholders.

Investments above an internally-determined threshold (as approved by the Board) must be specifically approved by the Audit and Risk Management Committee. In addition, the Board and the Audit and Risk Management Committee, which review the risk exposure of the businesses of the Group at regular intervals, will review the risk exposure of the Proposed Biomedical Business at intervals of not less than annually.

LETTER TO SHAREHOLDERS

Before undertaking any investment activity into a new jurisdiction for any new project or investment under the Proposed Biomedical Business, the Group will conduct market research and analysis and carry out due diligence. As and where necessary and if required, the Group will apply for the requisite licences and/or permits required in relation to any project or investment under the Proposed Biomedical Business.

The risk management and internal control system, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. As such, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Group and/or its employees, disruption to the risk management system, and an adverse effect on the Group's financial condition and results of operations.

As at the Latest Practicable Date, the Audit and Risk Management Committee comprises Mr Basil Chan (Chairman), Mr Tao Yeoh Chi and Mr Chan Yu Meng.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:-

| | Direct Interest | | Deemed interest | | Total interest | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | Number of Shares | % ⁽¹⁾ | Number of Shares | % ⁽¹⁾ | Number of Shares | % ⁽¹⁾ |
| Directors | | | | | | |
| Basil Chan | – | – | – | – | – | – |
| Chan Heng Fai ⁽²⁾ | 62,333,333 | 10.94 | 261,906,163 | 45.96 | 324,239,496 | 56.90 |
| Chan Tung Moe ⁽³⁾ | – | – | – | – | – | – |
| Tao Yeoh Chi | – | – | – | – | – | – |
| Chan Yu Meng | – | – | – | – | – | – |
| Substantial Shareholders (other than Directors) | | | | | | |
| Hengfai Business Development Pte. Ltd. ("HBD") | 261,906,163 | 45.96 | 62,333,333 | 10.94 | 324,239,496 | 56.90 |
| Toh Soon Huat | 8,750,000 | 1.53 | 25,791,100 | 4.53 | 34,541,100 | 6.06 |

Notes:-

- (1) Based on the Company's issued and paid-up share capital of 569,862,252 issued Shares as at the Latest Practicable Date.
- (2) Mr Chan Heng Fai is the sole beneficial shareholder and director 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.

LETTER TO SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in other securities of the Company as at the Latest Practicable Date are set out below:-

| | Number of 2016 warrants ⁽¹⁾ | Number of employee share options ^{(2) (3)} |
|------------------------------|--|---|
| Basil Chan | – | 796,000 |
| Chan Heng Fai ⁽⁴⁾ | 34,916,665 | 1,061,333 |
| Chan Tung Moe ⁽⁵⁾ | – | – |
| Tao Yeoh Chi | – | 530,667 |
| Chan Yu Meng | – | 530,667 |

Substantial Shareholders (other than Directors)

Hengfai Business Development Pte. Ltd.

| | | |
|---------------|-------------|---|
| ("HBD") | 514,894,815 | – |
| Toh Soon Huat | 40,000,000 | – |

Notes:-

- (1) The exercise price for each 2016 warrant as at the Latest Practicable Date is S\$0.04.
- (2) The exercise price of each employee share option held by Mr Basil Chan as at the Latest Practicable Date is S\$0.11.
- (3) The exercise price of each employee share option held by Directors other than Mr Basil Chan is S\$0.12.
- (4) Mr Chan Heng Fai is the sole beneficial shareholder and director of HBD and is deemed interested in HBD's interests in the Company.
- (5) Mr Chan Tung Moe is the son of Mr Chan Heng Fai.

Save as disclosed, none of the Directors and the Substantial Shareholders have any interest, direct or indirect, in the Proposed Resolutions.

5. DIRECTORS' RECOMMENDATION

The Directors having considered, *inter alia*, the rationale and information relating to the proposed expansion of the scope of the Group's Property Development Business and the diversification of the Group's business to include the Proposed Biomedical Business as set out in this Circular, are of the opinion that the proposed expansion and diversification would be beneficial to, and is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions relating to the same at the EGM.

6. 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.

LETTER TO SHAREHOLDERS

7. EGM

The EGM, notice of which is set out in this Circular, will be held at the place and time as set out in the Notice of EGM for the purpose of considering and, if thought fit, passing, with or without any modification, the Proposed Resolutions.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company at 10 Winstedt Road, Block A #02-02 Singapore 227977, not later than 72 hours before the time fixed for holding the EGM.

The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM 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 72 hours before the EGM.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the EGM:-

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for FY2015.

Yours faithfully,
For and on behalf of the Board of Directors of
SINGAPORE EDEVELOPMENT LIMITED

Chan Heng Fai
Executive Director and 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 Room 327, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 24 January 2017 at 10.00a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following ordinary resolutions:

ORDINARY RESOLUTION 1: THE PROPOSED EXPANSION OF THE SCOPE OF THE GROUP’S PROPERTY DEVELOPMENT BUSINESS

That:

- (a) approval be and is hereby given for the expansion of the scope of the Group’s property development business that involves activities described in Section 2 of the Company’s circular to shareholders dated 9 January 2017 (the “**Property Development Business**”), and any other activities related to the proposed expansion of the Property Development Business; and
- (b) the directors of the Company or any one 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.

ORDINARY RESOLUTION 2: THE DIVERSIFICATION OF THE GROUP’S BUSINESS INTO THE PROPOSED BIOMEDICAL BUSINESS

That:

- (a) approval be and is hereby given for the diversification by the Company of the Group’s business to include the biomedical business that involves activities described in Section 3 of the Company’s circular to shareholders dated 9 January 2017 (the “**Proposed Biomedical Business**”), and any other activities related to the Proposed Biomedical Business; and
- (b) the directors of the Company or any one 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

Chan Heng Fai
Executive Director and Chief Executive Officer
Singapore eDevelopment Limited
Singapore

9 January 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Cap. 50 (the “**Companies 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 Companies 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 72 hours prior to the time of the EGM.
- (5) Terms not specifically defined herein shall have the same meanings ascribed to them in the Company’s Circular to Shareholders dated 9 January 2017.

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 (a) 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**”), (b) 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 (c) 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.

PROXY FORM

SINGAPORE EDEVELOPMENT LIMITED

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

PROXY FORM

I/We _____ (Name) _____ (NRIC/Passport Number)
of _____ (Address)

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

| Name | NRIC / Passport Number | Proportion of Shareholdings | |
|---------|------------------------|-----------------------------|---|
| | | No. of Shares | % |
| Address | | | |

and/or (delete as appropriate)

| Name | NRIC / Passport Number | Proportion of Shareholdings | |
|---------|------------------------|-----------------------------|---|
| | | No. of Shares | % |
| Address | | | |

or failing him/her, the Chairman of the Extraordinary General Meeting (“EGM”) as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the EGM of the Company to be held at Room 327, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 24 January 2017 at 10.00a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the EGM as indicated hereunder. 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 may vote or abstain from voting at his/her discretion. The Ordinary Resolutions will be put to vote at the EGM by way of poll.

| Ordinary Resolution | Number of Votes For# | Number of Votes Against# |
|---|----------------------|--------------------------|
| 1. To approve the proposed expansion of the scope of the Group's Property Development Business | | |
| 2. To approve the diversification of the Group's business into the Proposed Biomedical Business | | |

* Delete as appropriate.

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 _____ 2017.

| Total number of Shares in: | No. of Shares |
|----------------------------|---------------|
| (a) CDP Register | |
| (b) Register of Members | |

Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



PROXY FORM

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Cap. 50 (the “**Companies 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 Companies 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, Cap. 289), 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 **72 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 EGM, in accordance with Section 179 of the Companies Act.
9. Terms not specifically defined herein shall have the same meanings ascribed to them in the Company’s Circular to Shareholders dated 9 January 2017.

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 (a) 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**”), (b) 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 (c) 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.