

CIRCULAR DATED 16 MAY 2011

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY AND CONSIDER IT IN ITS ENTIRETY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the share capital of SMB United Limited, please forward this Circular and the attached notice of Extraordinary General Meeting and Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Circular.



SMB UNITED LIMITED

SMB UNITED LIMITED

(Company Registration No. 199506364D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

THE PROPOSED VOLUNTARY DELISTING OF EDMI LIMITED PURSUANT TO RULES 1307 AND 1309 OF THE SGX-ST LISTING MANUAL AND EXIT OFFER BY SMB UNITED LIMITED TO ACQUIRE ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF EDMI LIMITED OTHER THAN THOSE HELD BY SMB UNITED LIMITED AS AT THE DATE OF THE EXIT OFFER

Financial Adviser



CIMB Bank Berhad (13491-P)

Singapore Branch

(Incorporated in Malaysia)

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form : 30 May 2011 at 10:00 a.m.
Date and time of Extraordinary General Meeting : 1 June 2011 at 10:00 a.m.
Place of Extraordinary General Meeting : 17 Senoko Avenue, Singapore 758307

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DEFINITIONS

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

<i>“Assumed Maximum Consideration”</i>	:	Has the meaning ascribed to it in paragraph 2.11 of this Circular.
<i>“CDP”</i>	:	The Central Depository (Pte) Limited.
<i>“Chapter 10 Resolution”</i>	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular.
<i>“CIMB”</i>	:	CIMB Bank Berhad, Singapore Branch.
<i>“Circular”</i>	:	This Circular to the SMB Shareholders issued by SMB in relation to the Proposed Transaction.
<i>“Code”</i>	:	The Singapore Code on Take-overs and Mergers.
<i>“Companies Act”</i>	:	The Companies Act, Chapter 50 of Singapore.
<i>“Delisting”</i>	:	The voluntary delisting of EDMI from the Official List of the SGX-ST under Rule 1307 and Rule 1309 of the Listing Manual.
<i>“Delisting Circular”</i>	:	Has the meaning ascribed to it in paragraph 2.4(b)(i) of this Circular.
<i>“Delisting Proposal”</i>	:	Proposal by SMB dated 27 March 2011 to EDMI to seek the Delisting.
<i>“Delisting Resolution”</i>	:	Has the meaning ascribed to it in paragraph 2.6(b) of this Circular.
<i>“EDMI”</i>	:	EDMI Limited.
<i>“EDMI Directors”</i>	:	The directors of EDMI for the time being.
<i>“EDMI EGM”</i>	:	The extraordinary general meeting of EDMI in relation to the Delisting Resolution.
<i>“EDMI Group”</i>	:	EDMI, its subsidiaries, joint ventures and associated companies.
<i>“EDMI Shareholders”</i>	:	Registered holders for the time being of EDMI Shares. Where the registered holder is the CDP, the term “EDMI Shareholders” shall, in relation to such EDMI Shares and where the context admits, refer to the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those EDMI Shares.
<i>“EDMI Shares”</i>	:	Ordinary shares in the capital of EDMI.
<i>“Exit Offer”</i>	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular.
<i>“Exit Offer Letter”</i>	:	Has the meaning ascribed to it in paragraph 2.4(b)(iii)(A) of this Circular.
<i>“Exit Offer Price”</i>	:	Has the meaning ascribed to it in paragraph 2.5 of this Circular.
<i>“EPS”</i>	:	Earnings per SMB Share.

<i>“FY”</i>	:	Financial year ended or ending 31 December, as the case may be.
<i>“Internal Transfer”</i>	:	Has the meaning ascribed to it in paragraph 2.1 of this Circular.
<i>“Irrevocable Undertakings”</i>	:	Has the meaning ascribed to it in paragraph 2.8 of this Circular.
<i>“Joint Announcement”</i>	:	The announcement dated 28 March 2011 jointly made by SMB and EDMI on the Delisting Proposal and Exit Offer.
<i>“Joint Announcement Date”</i>	:	28 March 2011, being the date of the Joint Announcement.
<i>“Latest Practicable Date”</i>	:	Means 10 May 2011, being the latest practicable date prior to the printing of this Circular.
<i>“Listing Manual”</i>	:	The Listing Manual of the SGX-ST, as amended up to the Latest Practicable Date.
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities.
<i>“NTA”</i>	:	Net tangible assets.
<i>“Offer Shares”</i>	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular.
<i>“Option”</i>	:	Options to subscribe for new EDMI Shares under the EDMI Share Option Scheme 2003.
<i>“Proposed Transaction”</i>	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular.
<i>“Proxy Form”</i>	:	A form for SMB Shareholders to appoint a proxy to attend and vote on their behalf.
<i>“Relevant EDMI Directors”</i>	:	Has the meaning ascribed to it in paragraph 2.4(c) of this Circular.
<i>“Relevant SMB Directors”</i>	:	Has the meaning ascribed to it in paragraph 2.8(b) of this Circular.
<i>“Relevant Proposed Acceptances”</i>	:	Has the meaning ascribed to it in paragraph 2.8(b) of this Circular.
<i>“SGX SESDAQ”</i>	:	SGX-ST Dealing and Automated Quotation System.
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited.
<i>“SIC”</i>	:	Securities Industry Council of Singapore.
<i>“SMB”</i>	:	SMB United Limited.
<i>“SMB Directors”</i>	:	The directors of SMB for the time being.
<i>“SMB EGM”</i>	:	The extraordinary general meeting of SMB, notice of which is set out in page 19 of this Circular.
<i>“SMB Group”</i>	:	SMB and its subsidiaries.
<i>“SMB Shareholders”</i>	:	Registered holders for the time being of SMB Shares. Where the registered holder is the CDP, the term “SMB Shareholders” shall, in relation to such SMB Shares and where the context admits, refer to the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those SMB Shares.

<i>“SMB Shares”</i>	:	Ordinary shares in the capital of SMB.
<i>“Substantial Shareholder”</i>	:	A SMB Shareholder who holds directly or indirectly 5% or more of the issued share capital in SMB.
<i>“S\$” or “Singapore Dollars”</i>	:	Singapore dollars, being the lawful currency of the Republic of Singapore.
<i>“Undertaking Shareholders”</i>	:	Has the meaning ascribed to it in paragraph 2.8(a) of this Circular.
<i>“%”</i>	:	Per centum or percentage.

The term “acting in concert” shall have the meaning ascribed to it in the Code.

The terms “Depositor”, “Depository Register” and “depository agent” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act. The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act.

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 include corporations.

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 defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

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

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

SMB UNITED LIMITED

(Company Registration No. 199506364D)
(Incorporated in the Republic of Singapore)

SMB Directors:

Mr. Lee Phuan Weng (Executive Chairman)
Mr. Goh Ban Kin (Executive Director)
Mr. Lee Yong Heng (Executive Director)
Mr. Lawrence Lee Wee Hian (Executive Director and Chief Executive Officer)
Mr. Lee Kwang Mong (Non-Executive Director)
Mr. Henry Hoe Leong Seng (Independent Director)
Mr. Koh Ah Huat (Independent Director)
Dr. Tay Teng Tiow (Independent Director)

Registered Office:

9 Senoko Drive
Singapore 758197

16 May 2011

To: The Shareholders of SMB United Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 Chapter 10 Resolution – The Proposed Transaction

On 28 March 2011, SMB and EDMI announced that SMB has presented to the EDMI Directors the Delisting Proposal to seek the voluntary delisting of EDMI from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual and make an exit offer (the “**Exit Offer**”) to acquire all the EDMI Shares, other than those EDMI Shares held, directly or indirectly, by SMB (“**Offer Shares**”) as at the date of the Exit Offer.

The Exit Offer, together with the open market purchases of EDMI Shares (at a price per EDMI Share not exceeding the Exit Offer Price (as defined below)) (a) made by Bridex Singapore Pte. Ltd., a wholly-owned subsidiary of SMB on 10 March 2011 and (b) made or to be made by SMB after the Joint Announcement in connection with the Exit Offer¹ (collectively with the Exit Offer, the “**Proposed Transaction**”) constitute a major transaction under Chapter 10 of the Listing Manual and is therefore subject to and conditional upon SMB Shareholders’ approval at the SMB EGM by an ordinary resolution (the “**Chapter 10 Resolution**”).

Further details relating to the Proposed Transaction are set out in paragraph 2 of this Circular.

1.2 Extraordinary General Meeting

The SMB Directors are convening the SMB EGM to be held on 1 June 2011 to seek SMB Shareholders’ approval for the Proposed Transaction. Notice of the SMB EGM is set out on page 19 of this Circular.

1.3 Circular

The purpose of this Circular is to explain the reasons for, and to provide SMB Shareholders with information relating to the Proposed Transaction, and to seek the approval of SMB Shareholders for the Chapter 10 Resolution set out in the notice of the SMB EGM.

¹ Including the open market purchases of EDMI Shares by SMB conducted on 28 March 2011, 29 March 2011, 30 March 2011, 31 March 2011, 1 April 2011, 4 April 2011, 5 April 2011, 7 April 2011, 8 April 2011, 14 April 2011, 15 April 2011, 19 April 2011, 20 April 2011, 25 April 2011, 28 April 2011, 3 May 2011, 4 May 2011, 5 May 2011 and 6 May 2011.

2. THE PROPOSED TRANSACTION

2.1 Background

On the Joint Announcement Date, SMB and EDM I announced that SMB has presented to the EDM I Directors the Delisting Proposal with regard to the Delisting. As at the time of the Joint Announcement, SMB had a direct interest in 127,920,535 EDM I Shares, representing approximately 59.77%² of the total issued EDM I Shares which had been transferred on 25 March 2011 from SMB's wholly-owned subsidiary, Bridex Singapore Pte. Ltd. to SMB (the "**Internal Transfer**"). Following the Internal Transfer, SMB holds approximately 59.77% interest in EDM I directly rather than indirectly, and EDM I became a directly owned subsidiary of SMB. As at the Latest Practicable Date, Bridex Singapore Pte. Ltd. no longer holds any EDM I Shares.

Subsequent to the Joint Announcement, SMB had acquired additional EDM I Shares and as at the Latest Practicable Date, SMB has a direct interest in 141,577,535 EDM I Shares, representing approximately 66.15% of the total issued EDM I Shares and is the largest shareholder of EDM I.

Upon completion of the Proposed Transaction, and the exercise by SMB of any right of compulsory acquisition which may arise under the Companies Act as a result of the Proposed Transaction, it is intended that EDM I will become a wholly-owned subsidiary of SMB.

2.2 Information on EDM I

EDM I was incorporated in Singapore on 15 March 1997 and has an issued and paid-up share capital of S\$22,747,235 comprising 214,025,000 ordinary shares. EDM I was listed on the SGX SESDAQ on 15 October 2003 and subsequently on the Main Board of the SGX-ST on 15 March 2007.

The principal business activities of the EDM I Group are the design, development and manufacturing of innovative and technologically advanced energy meters and metering systems for the global utility industry. EDM I has a range of products for use in applications across the generation, transmission and distribution sectors of the electricity market as well as for sub-metering and energy management applications. All EDM I meters comply fully with IEC standards as well as specific national standards in many countries around the world.

EDM I's competitive strengths lie in the following areas:

- (a) Research and development capabilities:
 - (i) EDM I has research and design capabilities to develop new meters as well as introduce enhancements to their existing range of meters;
 - (ii) EDM I's engineering teams in Australia and Singapore conduct research and process engineering on product prototypes;
 - (iii) EDM I has continued to strengthen its capabilities in Brisbane, Shanghai, and Singapore;
- (b) Versatility of meters:
 - (i) EDM I's meters can be customised to meet customers' specifications;
 - (ii) These meters allow the use of proprietary operating systems and scripts for easy re-configuration. The use of scripts allows meters to be modified at customers' premises;

² Unless otherwise stated, in this Circular, all references to the total number of EDM I Shares shall be to 214,025,000 EDM I Shares, being the total number of issued EDM I Shares as at the Latest Practicable Date. EDM I does not hold any treasury shares.

- (c) Quality products:
- (i) Certified with ISO9001:2000 and ISO9002;
 - (ii) Accredited to OFGEM, SAC-SINGLAS quality standards;
 - (iii) EDMl's meters are also certified by independent testing agencies for compliance with IEC standards measuring safety, accuracy and reliability;
 - (iv) EDMl has been certified by SGS (UK) for compliance with the European Measuring Instruments Directive 2004/22/EC;
- (d) Experienced Management:
- (i) EDMl's continued success is supported by an experienced and committed management team. Their combined experiences and understanding of the metering industry enable the development of new products and identification of new business opportunities; and
- (e) Established customer relationships:
- (i) Over the years, EDMl has established strong working relationships with companies such as Energex Limited, Smart Meters Technologies Sdn Bhd and Redphase Instrument (Xiamen) Co., Ltd among others.

Financial Highlights

Selected financial information of EDMl for FY2010, FY2009 and FY2008 is set out below:

	FY2010 (\$'000)	FY2009 (\$'000)	FY2008 (\$'000)
Revenue	98,528	69,807	56,636
Profit Before Tax	11,979	8,137	2,492
Net Profit attributable to EDMl Shareholders	9,700	6,547	1,930
Total Assets	93,837	81,044	58,963
Shareholders Funds	61,345	54,350	43,716

Geographical Presence

EDMl has offices and customer service centres in Singapore, Australia, China, Malaysia, Vietnam, Thailand and the United Kingdom and has appointed sales agents in Europe, ASEAN, the Middle East and Africa. These centres are used to calibrate and customise EDMl meters to support specific local market requirements and act as regional support hubs for its metering products, handling local customer enquiries, technical support and repairs.

2.3 Rationale for the Proposed Transaction

SMB intends to make the Exit Offer for EDMl as part of its restructuring and consolidation process in order to make EDMl a wholly-owned subsidiary of SMB.

A primary reason for companies to maintain a listing on the SGX-ST is to access the capital markets for funding. It is noted that EDMl has not conducted any fund-raising exercise since 2007, and hence has not been able to take advantage of its listed status for fund raising. EDMl is unlikely to require access to the capital markets in the foreseeable future to finance its operations and therefore believes that a listing on the SGX-ST is no longer relevant.

In maintaining EDMl's listing status, EDMl incurs additional compliance and associated costs. EDMl will be able to gain cost-savings as a non-listed entity by dispensing with costs associated with complying with listing requirements and other regulatory requirements and human resources that have to be committed for such compliance as well. The Delisting, if approved, will eliminate the costs of compliance with the listing rules and regulations, thereby allowing EDMl to focus its resources on its business operations.

2.4 Ruling from the SIC

An application was made by SMB to the SIC to seek clarification regarding the extent to which the provisions of the Code applied to the Exit Offer. The SIC ruled on 11 March 2011, *inter alia*, that:

- (a) the Exit Offer is exempted from compliance with the following provisions of the Code:
 - (i) Rule 20.1 on keeping the Exit Offer open for 14 days after it is revised;
 - (ii) Rule 22 on the offer timetable;
 - (iii) Rule 28 on acceptances; and
 - (iv) Rule 29 on the right of acceptors to withdraw their acceptances,
- (b) subject to the following conditions:
 - (i) disclosure in the delisting circular to EDMl Shareholders (the "**Delisting Circular**") of the consolidated NTA per EDMl Share of the group comprising EDMl, its subsidiaries and associated companies based on the latest published accounts prior to the date of the Delisting Circular;
 - (ii) disclosure in the Delisting Circular of particulars of all known material changes as of the latest practicable date set out in the Delisting Circular which may affect the consolidated NTA per EDMl Share referred to in paragraph 2.4(b)(i) above or a statement that there are no such known material changes; and
 - (iii) the Exit Offer remaining open for at least:
 - (A) 21 days after the date of the despatch of the letter in respect of the Exit Offer (the "**Exit Offer Letter**") if the Exit Offer Letter is despatched after EDMl Shareholders' approval for the Delisting has been obtained; or
 - (B) 14 days after the date of the announcement of EDMl Shareholders' approval of the Delisting if the Exit Offer Letter is despatched on the same date as the Delisting Circular.
- (c) the following EDMl Directors: Lee Phuan Weng³ and Lee Kwang Mong⁴ (collectively, the "**Relevant EDMl Directors**") are exempted from the requirement to make a recommendation to the EDMl Shareholders on the Exit Offer as the Relevant EDMl Directors face a conflict of interest in doing so, being concert parties of SMB. Nevertheless, the Relevant EDMl Directors must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, EDMl to the EDMl Shareholders in connection with the Exit Offer.

2.5 Consideration and Options Proposal

The offer price for each Offer Share will be S\$0.365 in cash (the "Exit Offer Price**").**

SMB does not intend to revise the Exit Offer Price under any circumstance.

³ Lee Phuan Weng is the Executive Chairman of SMB and EDMl.

⁴ Lee Kwang Mong is the Chief Executive Officer and Managing Director of EDMl and a Non-Executive Director of SMB.

The Exit Offer Price was arrived at to reflect a premium to the last transacted price of the EDMI Shares being S\$0.32 as at 24 March 2011, the last Market Day on which the EDMI Shares were traded prior to the date of the Joint Announcement.

The Exit Offer is extended to all the EDMI Shares other than those EDMI Shares held, directly or indirectly, by SMB as at the date of the Exit Offer.

EDMI Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of Offer Shares. Each EDMI Shareholder who accepts the Exit Offer will receive S\$365 for every 1,000 Offer Shares tendered for acceptance under the Exit Offer.

The Exit Offer Price shall be applicable to any number of Offer Shares that are tendered in acceptance of the Exit Offer.

The Offer Shares will be acquired fully paid and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive all dividends and other distributions, if any, which may be announced, declared, paid or made thereon by EDMI, on or after the Joint Announcement Date).

Without prejudice to the generality of the foregoing, the Exit Offer Price has been determined on the basis that the Offer Shares will be acquired without SMB having the right to receive the Final Dividend of 0.75 cents per EDMI Share declared by EDMI as announced on 25 February 2011 in EDMI's financial statement announcement for the year ended 31 December 2010.

The Exit Offer will also be extended, on the same terms and conditions, to all new EDMI Shares unconditionally issued or to be issued pursuant to the valid exercise prior to the close of the Exit Offer of any Option to subscribe for new EDMI Shares granted under EDMI's share option scheme, the EDMI Share Option Scheme 2003. For the purpose of the Exit Offer, the expression "Offer Shares" shall include such EDMI Shares.

In addition, SMB will make an appropriate offer or proposal to the holders of the outstanding Options.

2.6 **Conditions of the Proposed Transaction**

The Proposed Transaction will be conditional upon:

- (a) the Chapter 10 Resolution being approved by the SMB Shareholders at the SMB EGM;
- (b) the resolution to approve the Delisting (the "**Delisting Resolution**") being approved by a majority of at least 75% of the total number of issued EDMI Shares held by the EDMI Shareholders present and voting, on a poll, either in person or by proxy at the EDMI EGM to be convened for EDMI Shareholders to vote on the Delisting Resolution (the EDMI Directors and controlling EDMI Shareholders need not abstain from voting on the Delisting Resolution); and
- (c) the Delisting Resolution not being voted against by 10% or more of the total number of issued EDMI Shares held by EDMI Shareholders present and voting, on a poll, either in person or by proxy at the EDMI EGM.

SMB is entitled, and intends, to vote all the EDMI Shares held, directly or indirectly, by SMB in favour of the Delisting Resolution at the EDMI EGM.

2.7 **Acceptances**

EDMI Shareholders may accept the Exit Offer in respect of all or part of their holdings of Offer Shares.

The Exit Offer will **not** be conditional upon a minimum number of acceptances being received.

2.8 Irrevocable Undertakings

SMB has obtained irrevocable undertakings ("**Irrevocable Undertakings**") from:

- (a) Mr. Lee Phuan Weng, Mr. Lee Yong Heng, Mr. Lawrence Lee Wee Hian and Mr. Lee Kwang Mong (collectively, the "**Undertaking Shareholders**" and each, an "**Undertaking Shareholder**"), who collectively hold an aggregate shareholding interest of 5,810,000 EDMI Shares representing approximately 2.71% of the total issued EDMI Shares, *inter alia*:
- (i) to vote all their EDMI Shares in favour of the Delisting Resolution at the EDMI EGM;
 - (ii) to accept the Exit Offer in respect of all their EDMI Shares; and
 - (iii) to vote all their SMB Shares in favour of the Chapter 10 Resolution.

As at the Latest Practicable Date, the shareholding interest in EDMI held by the Undertaking Shareholders is as follows:

- (A) Mr. Lee Phuan Weng, the Executive Chairman of SMB and the EDMI, with a shareholding interest (both direct and indirect) of approximately 0.53% in EDMI;
 - (B) Mr. Lee Yong Heng, an Executive Director of SMB, with a direct shareholding interest of approximately 0.30% in EDMI;
 - (C) Mr. Lawrence Lee Wee Hian, an Executive Director and the Chief Executive Officer of SMB, with a direct shareholding interest of approximately 0.11% in EDMI; and
 - (D) Mr. Lee Kwang Mong, a Non-Executive Director of SMB and the Chief Executive Officer and Managing Director of EDMI, with a direct shareholding interest of approximately 1.78% in EDMI.
- (b) Mr. Lee Phuan Weng, Mr. Goh Ban Kin, Mr. Lee Yong Heng, Mr. Lawrence Lee Wee Hian, Mr. Lee Kwang Mong, Mr. Henry Hoe Leong Seng, Mr. Koh Ah Huat, Dr. Tay Teng Tiow, Ms. Lee Hwee Choo, Mr. Lee Yong Siang, Ms. Lee Soo Chin, Mr. Goh Woon Keat and Mr. Goh Woon Peng who hold an aggregate shareholding interest of 183,038,039 SMB Shares representing approximately 38.15%⁵ of the total issued SMB Shares to, *inter alia*, vote all their SMB Shares in favour of the Chapter 10 Resolution.

As at the Latest Practicable Date, the shareholding interest in SMB held by Mr. Lee Phuan Weng, Mr. Goh Ban Kin, Mr. Lee Yong Heng, Mr. Lawrence Lee Wee Hian, Mr. Lee Kwang Mong, Mr. Henry Hoe Leong Seng, Mr. Koh Ah Huat, Dr. Tay Teng Tiow, Ms. Lee Hwee Choo, Mr. Lee Yong Siang, Ms. Lee Soo Chin, Mr. Goh Woon Keat and Mr. Goh Woon Peng is as follows:

- (i) Mr. Lee Phuan Weng (the Executive Chairman of SMB and EDMI) with a shareholding interest (direct and indirect) of approximately 9.06% in SMB;
- (ii) Mr. Goh Ban Kin (an Executive Director of SMB) with a shareholding interest (direct and indirect) of approximately 6.81% in SMB;
- (iii) Mr. Lee Yong Heng (an Executive Director of SMB) with a direct shareholding interest of approximately 9.62% in SMB;
- (iv) Mr. Lawrence Lee Wee Hian (an Executive Director and the Chief Executive Officer of SMB) with a shareholding interest (direct and indirect) of approximately 2.38% in SMB;

⁵ Unless otherwise stated, in this Circular, all references to the total number of SMB Shares shall be to 479,751,999 SMB Shares, being the total number of issued SMB Shares as at the Latest Practicable Date. SMB does not hold any treasury shares.

- (v) Mr. Lee Kwang Mong (a Non-Executive Director of SMB and the Chief Executive Officer and Managing Director of EDMI) with a direct shareholding interest of approximately 0.23% in SMB;
- (vi) Mr. Henry Hoe Leong Seng (an Independent Director of SMB) with a direct shareholding interest of approximately 0.07% in SMB;
- (vii) Mr. Koh Ah Huat (an Independent Director of SMB) with a direct shareholding interest of approximately 0.04% in SMB;
- (viii) Dr. Tay Teng Tiow (an Independent Director of SMB) with a shareholding interest (direct and indirect) of approximately 0.02% in SMB;
- (ix) Ms. Lee Hwee Choo with a direct shareholding interest of approximately 2.48% in SMB;
- (x) Mr. Lee Yong Siang with a direct shareholding interest of approximately 0.63% in SMB;
- (xi) Ms. Lee Soo Chin with a direct shareholding interest of approximately 4.05% in SMB;
- (xii) Mr. Goh Woon Keat with a direct shareholding interest of approximately 1.49% in SMB; and
- (xiii) Mr. Goh Woon Peng with a direct shareholding interest of approximately 1.29% in SMB.

SGX-ST had on 4 May 2011 ruled that the acceptances of the Exit Offer made by SMB (the “entity at risk” within the meaning of Chapter 9 of the Listing Manual) by each of the following SMB Directors who hold EDMI Shares (the “interested persons” within the meaning of Chapter 9 of the Listing Manual), namely Mr. Lee Phuan Weng, Mr. Lee Yong Heng, Mr. Lawrence Lee Wee Hian, Mr. Lee Kwang Mong as well as Dr. Tay Teng Tiow (the “**Relevant SMB Directors**”) in respect of their respective EDMI Shares (each a “**Relevant Proposed Acceptance**” and collectively the “**Relevant Proposed Acceptances**”) constitute an Interested Person Transaction within the meaning of Chapter 9 of the Listing Manual, notwithstanding that the aggregate value of the Relevant Proposed Acceptances falls below the 3% threshold under Rule 905(1) of the Listing Manual, and that there is no requirement for SMB to make any announcement in relation to, or to seek the approval of the SMB Shareholders for, the Relevant Proposed Acceptances. Assuming that all the Relevant SMB Directors accept the Exit Offer in respect of all their EDMI Shares (in aggregate, 5,910,000 EDMI Shares), the total value of the transactions entered with the “interested persons” would be S\$2,157,150, which is less than 3% of the latest audited consolidated NTA of the SMB Group for the full year ended 31 December 2010 of approximately S\$4,070,000 (being 3% of S\$135,664,000).

Accordingly, the Relevant SMB Directors shall (A) abstain from recommending the Proposed Transaction to the SMB Shareholders and (B) abstain from voting on the Chapter 10 Resolution at the SMB EGM. The Irrevocable Undertakings provided by each of Mr. Lee Phuan Weng, Mr. Lee Yong Heng, Mr. Lawrence Lee Wee Hian and Mr. Lee Kwang Mong have since been amended to remove the requirement for each of them to vote their SMB Shares in favour of the Chapter 10 Resolution. For the avoidance of doubt, the undertaking given by Mr. Goh Ban Kin, Mr. Henry Hoe Leong Seng, Mr. Koh Ah Huat, Ms. Lee Hwee Choo, Mr. Lee Yong Siang, Ms. Lee Soo Chin, Mr. Goh Woon Keat and Mr. Goh Woon Peng who hold an aggregate shareholding interest of 80,842,324 SMB Shares representing approximately 16.85% of the total issued SMB Shares to, *inter alia*, vote all their SMB Shares in favour of the Chapter 10 Resolution remains.

The Irrevocable Undertakings shall expire if (1) the Chapter 10 Resolution is not approved at the SMB EGM, (2) the Delisting Resolution is not approved at the EDMI EGM or (3) the Exit Offer is withdrawn, lapses or closes.

As at the Latest Practicable Date, SMB and the Undertaking Shareholders collectively own 147,387,535 EDMI Shares, representing approximately 68.86% of the total issued EDMI Shares.

Save as set out above, none of SMB or any party acting in concert with it has received any irrevocable undertaking from any party to accept or reject the Exit Offer.

2.9 Duration

It is proposed that SMB's Exit Offer Letter will be despatched to EDMI Shareholders on the same day as the Delisting Circular containing, *inter alia*, further information on the Delisting Proposal and the terms and conditions of the Exit Offer. The Exit Offer will be open for acceptance by EDMI Shareholders for a period of at least 14 days after the date of the announcement of EDMI Shareholders' approval of the Delisting.

2.10 Compulsory Acquisition

In the event that SMB acquires not less than 90% of the issued EDMI Shares (other than those already held by SMB, SMB's related corporations and SMB's respective nominees as at the date of the Exit Offer) pursuant to the Exit Offer, SMB will be entitled to exercise the right of compulsory acquisition under Section 215(1) of the Companies Act at the Exit Offer Price.

SMB intends to exercise this right of compulsory acquisition in the event that SMB does acquire at least 90% of the issued EDMI Shares (not held by SMB, SMB's related corporations and SMB's respective nominees as at the date of the Exit Offer). If so, and upon completion of the compulsory acquisition, EDMI will become SMB's wholly-owned subsidiary.

2.11 Assumed Maximum Consideration

As set out in paragraph 2.5 of this Circular, the Exit Offer Price for each Offer Share is S\$0.365 in cash.

The maximum aggregate consideration for the Proposed Transaction would be approximately S\$35,245,000 (the "**Assumed Maximum Consideration**") based on the following:

- (a) the consideration of approximately S\$3,097,000 assuming (i) the exercise of all outstanding Options for which the Exit Offer will extend as well, and (ii) the Exit Offer is fully accepted in respect of all the new EDMI Shares from the Options and/or SMB is able to and does exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act⁶;
- (b) the consideration of approximately S\$26,443,000 being 72,447,465 issued and paid-up existing EDMI Shares not owned by SMB as at the Latest Practicable Date and assuming that the Exit Offer is fully accepted by all the EDMI Shareholders and/or SMB is able to and does exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act; and
- (c) the aggregate consideration of approximately S\$5,705,000 for the open market purchases of EDMI Shares (i) made by Bridex Singapore Pte. Ltd., a wholly-owned subsidiary of SMB on 10 March 2011⁷ and (ii) made or to be made by SMB after the Joint Announcement in connection with the Exit Offer⁸ at a price per EDMI Share not exceeding the Exit Offer Price.

The Assumed Maximum Consideration will be funded by internal resources and external borrowings.

6 As at the Latest Practicable Date, there are 8,485,000 outstanding Options granted under the EDMI Share Option Scheme 2003.

7 A total of 2,631,000 EDMI Shares representing approximately 1.23% of the total issued EDMI Shares were purchased by Bridex Singapore Pte. Ltd. on 10 March 2011 at a consideration of S\$0.29 per EDMI Share.

8 Including the open market purchases of EDMI Shares by SMB conducted on 28 March 2011, 29 March 2011, 30 March 2011, 31 March 2011, 1 April 2011, 4 April 2011, 5 April 2011, 7 April 2011, 8 April 2011, 14 April 2011, 15 April 2011, 19 April 2011, 20 April 2011, 25 April 2011, 28 April 2011, 3 May 2011, 4 May 2011, 5 May 2011 and 6 May 2011.

2.12 Major Transaction under Chapter 10 of the Listing Manual

The relative figures for the Proposed Transaction computed on the bases set out in Rule 1006 based on the audited financial statements of the SMB Group and the EDMI Group for the full year ended 31 December 2010 are set out below:

Bases under Rule 1006 of the Listing Manual for the Proposed Transaction	
Rule 1006(a)	
Net asset value of the assets to be disposed of, compared with the SMB Group's net asset value	Not applicable to an acquisition of assets
Rule 1006(b)	
Net profits ⁽¹⁾ attributable to the assets acquired ⁽²⁾ (S\$,000)	4,967
Net profits ⁽¹⁾ of the SMB Group (S\$,000)	22,489
Size of relative figure	22.1%
Rule 1006(c)	
Aggregate amount of consideration (S\$,000) ⁽³⁾	35,245
Market capitalisation of the SMB Group (S\$,000) ⁽⁴⁾	110,343
Size of relative figure	31.9%
Rule 1006(d)	
Number of equity securities to be issued by the SMB Group as consideration for the Proposed Transaction compared with the number of equity securities previously in issue	Not applicable as the consideration payable for the Proposed Transaction will not be settled with equity securities

Notes:

- (1) Net profit is defined as profit before taxation, minority interests and extraordinary items.
- (2) Assets acquired include the Offer Shares and the open market purchases of EDMI Shares (a) made by Bridex Singapore Pte. Ltd., a wholly-owned subsidiary of SMB on 10 March 2011 and (b) made or to be made by SMB after the Joint Announcement in connection with the Exit Offer on 28 March 2011, 29 March 2011, 30 March 2011, 31 March 2011, 1 April 2011, 4 April 2011, 5 April 2011, 7 April 2011, 8 April 2011, 14 April 2011, 15 April 2011, 19 April 2011, 20 April 2011, 25 April 2011, 28 April 2011, 3 May 2011, 4 May 2011, 5 May 2011 and 6 May 2011.
- (3) Aggregate amount of consideration consists of the Assumed Maximum Consideration.
- (4) Based on the number of SMB Shares outstanding and the 1-day volume-weighted average market price of the SMB Group as at 24 March 2011 of S\$0.23, being the last Market Day immediately preceding the Joint Announcement Date.

As the relative figures under Rules 1006(b) and 1006(c) exceed 20% as at the Joint Announcement Date, the Proposed Transaction constitutes a major transaction under Chapter 10 of the Listing Manual and accordingly, the Proposed Transaction is conditional upon the approval of the Chapter 10 Resolution by SMB Shareholders at the SMB EGM.

2.13 Financial Effects of the Proposed Transaction

The audited pro forma financial effects of the Proposed Transaction set out in this paragraph 2.13, based on the audited consolidated financial statements of the SMB Group for FY2010 and the audited consolidated financial statements of the EDMI Group for FY2010 (being the latest available consolidated financial statements) are for illustrative purposes only. The audited pro forma financial effects set out below are not indicative of the actual or future financial effects of the Proposed Transaction on the NTA per SMB Share and EPS, and do not represent the actual or future financial position and/or the results of the SMB Group after the completion of the Proposed Transaction.

(a) **Profits attributable to the Proposed Transaction**

Based on the audited consolidated financial statements of the EDMI Group for FY2010, the net profits attributable to the Proposed Transaction amounts to approximately S\$4,967,000.

(b) **Effect on NTA per SMB Share**

Assuming that the Proposed Transaction had been completed on 31 December 2010, the effect of the Proposed Transaction on the NTA per SMB Share is as follows:

	Before adjusting for the Proposed Transaction	After adjusting for the Proposed Transaction
NTA (S\$'000)	135,664	125,853
NTA per SMB Share (cents) ⁽¹⁾	28.3	26.2

Note:

(1) Based on the number of issued SMB Shares as at 31 December 2010 being 479,751,999.

(c) **Effect on EPS**

Assuming that the Proposed Transaction had been completed on 1 January 2010, the effect of the Proposed Transaction on the EPS for FY2010 is as follows:

	Before adjusting for the Proposed Transaction	After adjusting for the Proposed Transaction
Net Profit attributable to SMB Shareholders (S\$'000)	13,318	16,623 ⁽¹⁾
EPS ⁽²⁾ (cents)	2.78	3.46

Notes:

(1) Based on net profit attributable to the EDMI Group amounting to approximately S\$9,700,000.

(2) Based on the weighted average number of issued SMB Shares for FY2010 being 479,751,999.

(d) **Effect on Gearing and Net Gearing**

The effect of the Proposed Transaction on the gearing of the SMB Group is as follows:

	Before adjusting for the Proposed Transaction	After adjusting for the Proposed Transaction
Gearing (Times) ⁽¹⁾	0.12	0.39
Net Gearing (Times) ⁽²⁾	Net Cash	Net Cash

Notes:

(1) Gearing is defined as total borrowings, divided by shareholders equity. Total borrowings comprise long-term and short-term borrowings and finance leases. The increase in borrowings after the Proposed Transaction is due to the bank borrowings obtained by the SMB Group for the Proposed Transaction. The shareholders equity of the SMB Group before and after the Proposed Transaction is approximately S\$141,975,000 and S\$132,164,000 respectively.

(2) Net Gearing is defined as total borrowings, less cash and bank balances, divided by shareholders' equity. The SMB Group is in a net cash position as cash and bank balances exceed total borrowings.

2.14 Directors to be appointed to SMB

No person is proposed to be appointed as a director of SMB in connection with the Proposed Transaction.

3. INTERESTS OF SMB DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 As at the Latest Practicable Date, the interests of the SMB Directors in the SMB Shares, as extracted from the Register of Directors' shareholdings of SMB, and the interests of the Substantial Shareholders in the SMB Shares, as extracted from the Register of Substantial Shareholders of SMB are as follows:

	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Total Interest</u>	
	<u>Number of SMB Shares</u>	<u>%⁽¹⁾</u>	<u>Number of SMB Shares</u>	<u>%⁽¹⁾</u>	<u>Number of SMB Shares</u>	<u>%⁽¹⁾</u>
SMB Directors						
Mr. Lee Phuan Weng	35,668,544	7.44	7,761,248 ⁽²⁾	1.62	43,449,792	9.06
Mr. Goh Ban Kin	22,632,514	4.72	10,045,000 ⁽³⁾	2.09	32,677,514	6.81
Mr. Lee Yong Heng	46,170,923	9.62	–	0.00	46,170,923	9.62
Mr. Lawrence Lee Wee Hian	10,669,000	2.22	744,000 ⁽⁴⁾	0.16	11,413,000	2.38
Mr. Lee Kwang Mong	1,082,000	0.23	–	0.00	1,082,000	0.23
Mr. Henry Hoe Leong Seng	336,000	0.07	–	0.00	336,000	0.07
Mr. Koh Ah Huat	168,000	0.04	–	0.00	168,000	0.04
Dr. Tay Teng Tiow	60,000	0.01	20,000 ⁽⁵⁾	0.00	80,000	0.02
Substantial Shareholders of SMB						
Mr. Lee Yong Heng	46,170,923	9.62	–	0.00	46,170,923	9.62
Mr. Lee Phuan Weng	35,668,544	7.44	7,761,248 ⁽²⁾	1.62	43,449,792	9.06
Mr. Goh Ban Kin	22,632,514	4.72	10,045,000 ⁽³⁾	2.09	32,677,514	6.81

Notes:

- (1) The percentage shareholding interest is based on the issued share capital of 479,751,999 SMB Shares as at the Latest Practicable Date.
- (2) Mr. Lee Phuan Weng is deemed interested in 7,761,248 SMB Shares held by his spouse, Ms. Ang Lucy.
- (3) Mr. Goh Ban Kin is deemed interested in 10,045,000 SMB Shares held by his spouse, Ms. Foo Juat Eng.
- (4) Mr. Lawrence Lee Wee Hian is deemed interested in 744,000 SMB Shares held by his spouse, Ms. Ang Lai See.
- (5) Dr. Tay Teng Tiow is deemed interested in 20,000 SMB Shares held by his spouse, Ms. Hung Cheau Ling.

3.2 As at the Latest Practicable Date, the shareholding interest in EDMI held by the SMB Directors are as follows:

- (a) Mr. Lee Phuan Weng directly and indirectly holds 1,130,000 EDMI Shares representing approximately 0.53% of the total EDMI Shares;
- (b) Mr. Lee Yong Heng directly holds 650,000 EDMI Shares representing approximately 0.30% of the total EDMI Shares;
- (c) Mr. Lawrence Lee Wee Hian directly holds 230,000 EDMI Shares representing approximately 0.11% of the total EDMI Shares;
- (d) Mr. Lee Kwang Mong directly holds 3,800,000 EDMI Shares representing approximately 1.78% of the total EDMI Shares; and
- (e) Dr. Tay Teng Tiow directly holds 100,000 EDMI Shares representing approximately 0.05% of the total EDMI Shares.

- 3.3 As at the Latest Practicable Date, Mr. Lee Phuan Weng, Mr. Lee Yong Heng, Mr. Lawrence Lee Wee Hian, Mr. Lee Kwang Mong and Dr. Tay Teng Tiow collectively hold in aggregate 5,910,000 EDMI Shares representing approximately 2.76% of the total issued EDMI Shares and are parties acting in concert with SMB.
- 3.4 As stated in the paragraph 2.8(a) of this Circular, SMB has obtained irrevocable undertakings from Mr. Lee Phuan Weng, Mr. Lee Yong Heng, Mr. Lawrence Lee Wee Hian and Mr. Lee Kwang Mong to, *inter alia*, vote in favour of the Delisting Resolution and to accept the Exit Offer in respect of all EDMI Shares held by them.
- 3.5 As at the Latest Practicable Date, SMB has also obtained irrevocable undertakings from certain of the SMB Directors and their respective equity interests in SMB Shares are as set out in paragraph 2.8(b) of this Circular.
- 3.6 As stated in paragraph 2.8(b) of this Circular, SGX-ST had on 4 May 2011 ruled that the Relevant Proposed Acceptances by each of the Relevant SMB Directors (the “interested persons” within the meaning of Chapter 9 of the Listing Manual), namely Mr. Lee Phuan Weng, Mr. Lee Yong Heng, Mr. Lawrence Lee Wee Hian, Mr. Lee Kwang Mong as well as Dr. Tay Teng Tiow in respect of their respective EDMI Shares constitute an Interested Person Transaction within the meaning of Chapter 9 of the Listing Manual. Given that the aggregate value of the Relevant Proposed Acceptances falls below the 3% threshold under Rule 905(1) of the Listing Manual, there is no requirement for SMB to make any announcement in relation to, or to seek the approval of the SMB Shareholders for, the Relevant Proposed Acceptances.

Accordingly, the Relevant SMB Directors shall (a) abstain from recommending the Proposed Transaction to the SMB Shareholders and (b) abstain from voting on the Chapter 10 Resolution at the SMB EGM.

- 3.7 Save as disclosed above, none of the SMB Directors, and to the best of the SMB Directors’ knowledge, none of the Substantial Shareholders of SMB, has an interest, direct or indirect, in the Proposed Transaction.

4. SMB DIRECTORS’ RECOMMENDATIONS

Having considered the rationale for the Proposed Transaction as set out in paragraph 2.3 of this Circular, the SMB Directors (other than the Relevant SMB Directors, namely Mr. Lee Phuan Weng, Mr. Lee Yong Heng, Mr. Lawrence Lee Wee Hian, Mr. Lee Kwang Mong as well as Dr. Tay Teng Tiow who have abstained from making any recommendation to SMB Shareholders on the Proposed Transaction, for the reasons given in paragraph 3.6 of this Circular) are of the opinion that the Proposed Transaction is in the best interests of SMB. Accordingly, they recommend that SMB Shareholders vote in favour of the Chapter 10 Resolution.

5. CAUTIONARY NOTE TO SMB SHAREHOLDERS

The SMB Directors wish to highlight the fact that the approval of the Chapter 10 Resolution by SMB Shareholders at the SMB EGM for the Proposed Transaction is a condition precedent for the entering into of the Proposed Transaction.

In the event that the Chapter 10 Resolution is not approved, SMB will not be able to enter into the Proposed Transaction as so envisaged and will therefore not be able to make the Exit Offer.

As different SMB Shareholders would have different investment objectives and profiles, any SMB Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

6. EXTRAORDINARY GENERAL MEETING

The SMB EGM, notice of which is set out on page 19 of this Circular, will be held at 17 Senoko Avenue, Singapore 758307 on 1 June 2011 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without any modification, the Chapter 10 Resolution.

7. ACTION TO BE TAKEN BY SMB SHAREHOLDERS

7.1 Appointment of Proxies

SMB Shareholders who are unable to attend the SMB EGM and wish to appoint a proxy to attend and vote at the SMB EGM on their behalf will find enclosed with 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 SMB at 9 Senoko Drive, Singapore 758197, not less than 48 hours before the time fixed for the SMB EGM. The sending of a Proxy Form by a SMB Shareholder does not preclude him from attending and voting in person at the SMB EGM in place of his proxy if he finds that he is able to do so.

7.2 Note for Depositors

A Depositor shall not be regarded as a SMB Shareholder entitled to attend the SMB EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the SMB EGM.

8. CONSENTS

CIMB has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto in the form and context in which they appear in this Circular.

9. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

CIMB, as the Financial Adviser to SMB in relation to the Proposed Transaction, acknowledges that, based on the information provided by SMB and after making all reasonable enquiries and to the best of its knowledge and belief, the facts stated and opinions expressed in this Circular (save for the recommendation of the SMB Directors) are fair and accurate and that no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular misleading in any material respect. Where information in this Circular has been extracted from published or otherwise publicly available sources, the sole responsibility of CIMB has been to ensure that such information has been accurately extracted and reflected in this Circular.

10. SMB DIRECTORS' RESPONSIBILITY STATEMENT

The SMB Directors (including those who have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, having made all reasonable enquiries and to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date hereof and that there are no material facts the omission of which would make any statement in this Circular misleading.

Where any information has been extracted from published or otherwise publicly available sources or obtained or provided by EDMI, the sole responsibility of the SMB Directors has been to ensure that such information has been accurately and correctly extracted from such sources, as the case may be, reflected or reproduced in this Circular.

Yours faithfully
For and on behalf of the Board of Directors of
SMB UNITED LIMITED

Lee Phuan Weng
Executive Chairman

SMB UNITED LIMITED

(Company Registration No. 199506364D)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of SMB United Limited ("**SMB**") will be held at 17 Senoko Avenue, Singapore 758307 on 1 June 2011 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution:

ORDINARY RESOLUTION – THE PROPOSED TRANSACTION

THAT approval be and is hereby given for:

- (a) SMB to:
- (i) make an exit offer (the "**Exit Offer**") to acquire all the issued ordinary shares in the capital of EDMI Limited ("**EDMI**") ("**EDMI Shares**"), other than those EDMI Shares held, directly or indirectly, by SMB ("**Offer Shares**") as at the date of the Exit Offer at the offer price ("**Exit Offer Price**") of S\$0.365 in cash for each Offer Share in connection with the proposed voluntary delisting of EDMI Limited from the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") pursuant to Rules 1307 and 1309 of the Listing Manual of the SGX-ST; and
 - (ii) conduct open market purchases of EDMI Shares (at a price per EDMI Share not exceeding the Exit Offer Price), whether directly or indirectly, in connection with the Exit Offer and where applicable, such open market purchases of EDMI Shares be ratified and confirmed (collectively with the Exit Offer, the "**Proposed Transaction**"); and
- (b) the directors of SMB ("**SMB Directors**") or any of them be and are hereby authorised to complete and to do all such acts and things, and to negotiate, agree to, approve, amend, modify, supplement and execute such documents, as they or any of them may consider necessary, expedient or incidental in connection with the Proposed Transaction, and generally to do all such things as the SMB Directors or any of them deem necessary, incidental, expedient or in the interests of SMB for all the foregoing purposes.

All capitalised terms used in this Notice which are not defined herein shall have the same meaning ascribed to them in SMB's circular to SMB Shareholders dated 16 May 2011 (including supplements and modifications thereto).

By Order of the Board
Toh Kian Poh / Elizabeth Krishnan
Company Secretaries
16 May 2011

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of SMB.
2. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. The instrument appointing the proxy that has been executed by a member must be lodged at the registered office of SMB at 9 Senoko Drive, Singapore 758197, not less than 48 hours before the time appointed for the Extraordinary General Meeting. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the Extraordinary General Meeting if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

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SMB UNITED LIMITED

(Company Registration No. 199506364D)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. For investors who have used their CPF monies to buy SMB United Limited's shares, this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, _____

of _____

being a member/members of SMB United Limited ("**SMB**"), hereby appoint:

Name	NRIC / Passport No.	Proportion of Shareholdings	
		No. of SMB Shares	%
Address			

AND/OR (DELETE AS APPROPRIATE)

Name	NRIC / Passport No.	Proportion of Shareholdings	
		No. of SMB Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting of SMB (the "**Meeting**") to be held at 17 Senoko Avenue, Singapore 758307 on 1 June 2011 at 10:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

	To be used on a show of hands		To be used in the event of a poll	
	For*	Against*	Number of Votes For**	Number of Votes Against**
Ordinary Resolution The Proposed Transaction				

* Please indicate your vote "For" or "Against" with an "X" within the box provided.

** If you wish to exercise all your votes "For" or "Against", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2011

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



Signature of SMB Shareholder(s)
or, *Common Seal of Corporate SMB Shareholder*

Notes:

1. Please insert the total number of SMB Shares held by you. If you have SMB Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of SMB Shares. If you have SMB Shares registered in your name in the Register of Members, you should insert that number of SMB Shares. If you have SMB Shares entered against your name in the Depository Register and SMB Shares registered in your name in the Register of Members, you should insert the aggregate number of SMB Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the SMB Shares held by you.
2. A member of SMB entitled to attend and vote at a meeting of SMB is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of SMB.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, SMB reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of SMB at 9 Senoko Drive, Singapore 758197 not less than 48 hours before the time appointed for the Meeting.
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 seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

SMB shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of SMB Shares entered in the Depository Register, SMB may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have SMB Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to SMB.