

CIRCULAR DATED 15 OCTOBER 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER INDEPENDENT PROFESSIONAL ADVISERS IMMEDIATELY.

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

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”). The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.



albedo

ALBEDO LIMITED

(Company Registration Number 200505118M)
(Incorporated in the Republic of Singapore on 18 April 2005)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) **THE PROPOSED DIVERSIFICATION OF THE EXISTING CORE BUSINESS OF THE COMPANY TO INCLUDE THE PROPOSED NEW BUSINESS (AS DEFINED IN THE CIRCULAR);**
- (2) **PROPOSED ACQUISITION OF 51.0% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF CHINA IMYTH COMPANY PTE. LTD. UNDER CHAPTER 10 OF THE CATALIST RULES AND THE PROPOSED ALLOTMENT AND ISSUANCE OF 550,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AS PART OF THE PURCHASE CONSIDERATION (“PROPOSED ACQUISITION”);**
- (3) **THE PROPOSED ALLOTMENT AND ISSUANCE OF 200,000,000 SHARES TO MDM OEI SIU HOA @ SUKMAWATI WIDJAJA UNDER CHAPTERS 8 AND 9 OF THE CATALIST RULES (“PROPOSED SHARE PLACEMENT”);**
- (4) **THE PROPOSED CHANGE OF AUDITORS FROM MESSRS FOO KON TAN LLP TO MESSRS NEXIA TS PUBLIC ACCOUNTING CORPORATION; AND**
- (5) **THE PROPOSED NEW SHARE ISSUE MANDATE IN ACCORDANCE WITH RULE 806(2)(B) OF THE CATALIST RULES (THE “PROPOSED NEW SHARE ISSUE MANDATE”).**

IMPORTANT DATES AND TIMES:

Latest Date and Time for Lodgement of Proxy Form	:	4 November 2015 at 10.00 a.m.
Date and Time of Extraordinary General Meeting	:	6 November 2015 at 10.00 a.m.
Place of Extraordinary General Meeting	:	The National University of Singapore Society, Kent Ridge Guild House, Evans Room, 9 Kent Ridge Drive, Singapore 119241

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DEFINITIONS

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

Companies, Organisations and Agencies

ACRA	The Accounting and Corporate Regulatory Authority of Singapore
CDP	The Central Depository (Pte) Limited
China iMyth	China iMyth Company Pte. Ltd.
China iMyth Group	China iMyth and all its current and intended subsidiaries including China iMyth (Hong Kong) Pte. Limited., China iMyth (Shanghai) Co., Ltd. and iMyth Taiwan Limited, collectively
Company	Albedo Limited
Foo Kon Tan	Foo Kon Tan LLP
Group	The Company and its subsidiaries, collectively
iMyth Aesthetic Medical Group	The former aesthetic medical practice in Taiwan and PRC made up of a group of doctors led by Dr Chung Yih-Chen
Independent Valuer	AVA Associates Limited
Nexia TS	Nexia TS Public Accounting Corporation
SGX-ST	Singapore Exchange Securities Trading Limited
Sponsor	PrimePartners Corporate Finance Pte. Ltd.
Taiwan Clinic	Two (2) health and beauty clinics in Taiwan focusing on aesthetic medicine and previously operated by the iMyth Aesthetic Medical Group
Vendor	China Medical Investments Co Pte. Ltd.

General

2015 AGM	The annual general meeting of the Company held on 24 April 2015
2015 AGM Share Issue Mandate	The share issue mandate granted by Shareholders at the annual general meeting of the Company held on 24 April 2015 pursuant to Section 161 of the Act and Rule 806(2) of the Catalist Rules
Act	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
Articles	The articles of association of the Company
Associate	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediately 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 (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

DEFINITIONS

Board	The board of directors of the Company as at the date of this Circular
Cash Consideration	A sum of S\$12 million in cash payable to the Vendor
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
Completion	The completion of the Proposed Acquisition
Completion Date	The date of Completion, being the date falling not more than 10 business days after the satisfaction of the conditions precedent as set out in Section 3.8 of this Circular, or such other date as the Parties may agree in writing, but in any event, before the Long Stop Date
Consideration Shares	The aggregate of 550,000,000 new Shares (and each, a “ Consideration Share ”) at a deemed issue price of S\$0.0125 per Consideration Share
Controlling Shareholder	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises control over the Company
Circular	This circular dated 15 October 2015 issued by the Company to the Shareholders
Directors	The director(s) of the Company as at the date of this Circular
EGM	The extraordinary general meeting of the Company, notice of which is set out on pages 48 to 51 of this Circular
Encumbrances	Any mortgage, assignment of receivables, debenture, lien, charge, pledge, security interest, title retention, right to acquire, options, restriction on transfer and any other encumbrances or condition whatsoever and any other arrangement having substantially the same or similar economic effect over or in respect of the relevant asset, security or right or the use thereof
Enlarged Share Capital	The issued share capital of the Company of 2,649,133,315 Shares following completion of the Proposed Acquisition and the Proposed Share Placement
EPS	Earnings per Share
Existing Core Business	Has the meaning ascribed to it in Section 2.1 of this Circular
Existing Share Capital	The issued share capital of the Company of 1,899,133,315 Shares as at the Latest Practicable Date
FY	Financial year ended or ending 31 December
Interested Person	Means: (a) a director, chief executive officer or controlling shareholder of the Company; or (b) an associate of any such director, chief executive officer or controlling shareholder
Introducer or Placee	Mdm Oei Siu Hoa @ Sukmawati Widjaja
IPT	Interested Person Transaction
Latest Practicable Date or LPD	1 October 2015 being the latest practicable date prior to the printing of this Circular
Long Stop Date	Six (6) months from the date of the SPA or otherwise agreed in writing between the Parties

DEFINITIONS

LPS	Loss per Share
Market Day	A day on which the SGX-ST is open for trading in securities
Parties	The Company and the Vendor, collectively (and each, a “ Party ”)
PRC	The People’s Republic of China
Proposed Acquisition	The acquisition of the Sale Shares pursuant to the provisions of the SPA
Proposed Change of Auditors	The proposed change of auditors from Foo Kon Tan to Nexia TS
Proposed Diversification	The proposed diversification of the Group’s Existing Core Business to include the Proposed New Business
Proposed New Business	Has the meaning ascribed to it in Section 2.2 of this Circular
Proposed New Share Issue Mandate	The proposed new general share issuance mandate pursuant to Section 161 of the Act and Rule 806(2)(b) of the Catalist Rules, pursuant to which the Directors shall be authorised to, <i>inter alia</i> , issue new Shares and convertible securities, the aggregate number of which, whether on a pro rata or non pro rata basis, shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) as at the date of the EGM
Proposed Share Placement	The proposed allotment and issuance of 200,000,000 Subscription Shares to Mdm Oei Siu Hoa @ Sukmawati Widjaja at an issue price of S\$0.01125 per Subscription Share
Sale Shares	5,100 ordinary shares in the share capital of China iMyth, representing 51.0% of the issued and paid-up share capital of China iMyth
Shares	Ordinary shares in the share capital of the Company
Shareholders	Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and whose securities accounts are credited with those Shares
SPA	The conditional sale and purchase agreement dated 11 June 2015 entered into between the Company and the Vendor in respect of the Proposed Acquisition as amended by a supplemental agreement dated 15 October 2015
Subscription Shares	The aggregate of 200,000,000 new Shares (and each, a “ Subscription Share ”) at an issue price of S\$0.01125 per Subscription Share
Subsidiary	A corporation which is for the time being a subsidiary of the Company within the meaning of Section 5 of the Act
Substantial Shareholder	A Shareholder who holds directly or indirectly 5% or more of the total issued and voting share capital of the Company
Total Consideration	The aggregate consideration of the value of the Consideration Shares and the Cash Consideration
Valuation Report	The valuation report issued by the Independent Valuer dated 8 October 2015 in relation to the value of the China iMyth Group, a copy of which is set out in Appendix C of this Circular

DEFINITIONS

Currencies and Units

- “NTD” and “NTD cents” : New Taiwan dollars and cents respectively, the lawful currency of the Republic of China, Taiwan
- “RMB” and “RMB cents” : Renminbi and cents respectively, the lawful currency of the People’s Republic of China
- “S\$” and “Singapore cents” : Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
- “%” or “per cent” : Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, 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 term defined under the Act, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Act, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

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

Exchange Rates

Unless otherwise stated, the exchange rate between (i) NTD and S\$ was NTD23.07: S\$1 and (ii) RMB and S\$ was RMB4.45: S\$1 as at the Latest Practicable Date. These exchange rates should not be construed as a representation that the NTD or RMB amounts could have been, or could be, converted into Singapore dollars at the rate stated, or at all, and *vice versa*.

LETTER TO SHAREHOLDERS

ALBEDO LIMITED

(Company Registration Number 200505118M)
(Incorporated in the Republic of Singapore)

Directors

Tai Kok Chuan (Chief Executive Officer and Managing Director)
Hano Maeloa (Non-Executive Director)
Wong Fook Choy Sunny (Lead Independent Director)
Yeo Chin Tuan Daniel (Independent Director)

Registered Office

1 Scotts Road
#20-03/04
Shaw Centre
Singapore 228208

15 October 2015

To: The Shareholders of Albedo Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 The Directors are convening an EGM to be held on 6 November 2015 to seek Shareholders' approval in relation to:

- (i) the Proposed Diversification (Ordinary Resolution 1);
- (ii) the Proposed Acquisition (Ordinary Resolution 2);
- (iii) the Proposed Share Placement (Ordinary Resolution 3);
- (iv) the Proposed Change of Auditors (Ordinary Resolution 4); and
- (v) the Proposed New Share Issue Mandate (Special Resolution 5),

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

1.2 The Directors wish to highlight that:

- (i) Ordinary Resolution 2 in relation to the Proposed Acquisition is conditional upon the passing of Ordinary Resolution 1 in relation to the Proposed Diversification; and
- (ii) Ordinary Resolution 3 in relation to the Proposed Share Placement is conditional upon the passing of Ordinary Resolution 2 in relation to the Proposed Acquisition.

For the avoidance of doubt, this means that if Ordinary Resolution 1 is not approved, Ordinary Resolutions 2 and 3 would not be carried, and if Ordinary Resolution 2 is not approved, Ordinary Resolution 3 would not be carried.

1.3 The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the abovementioned Proposed Resolutions to be tabled at the EGM, the notice of which is set out on pages 48 to 51 of this Circular.

1.4 The SGX-ST and the Sponsor take no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

2. DETAILS OF THE PROPOSED DIVERSIFICATION

2.1 Introduction

The Group is currently engaged in the trading and distribution of metal related materials (the "**Existing Core Business**"), which involves the worldwide sourcing and supply of raw materials, consumables and disposable supplies, equipment and related services and bulk commodities for the metal industry, primarily in the Asia Pacific region.

LETTER TO SHAREHOLDERS

Specifically, the Group supports players in the metal industry comprising steel mills, iron and steel foundries and aluminum smelters. It also supplies intermediate metal-related products and finished goods produced by manufacturers in metal related industries, such as building and construction, infrastructure, industrial, shipbuilding, automotive and electronics industries.

2.2 Details of the Proposed New Business

The Group is proposing to venture into the following activities as and when opportunities arise:

- (i) Medical aesthetics, beauty and wellness services and stem cell storage in Asia (particularly but not restricted to Taiwan and PRC); and
- (ii) healthcare, all other ancillary activities relating to the above and other related businesses.

(the “**Proposed New Business**”).

The general overview of some of the types of businesses contemplated under the Proposed New Business is briefly set out below:

a. **Medical aesthetics:**

This comprises both surgical and non-surgical aesthetic treatments. Surgical aesthetic treatments include double-eye lid surgery, rhinoplasty, breast augmentation, liposuction, facelifts, wrinkle removal and others.

Non-surgical aesthetic treatments comprise minimally invasive aesthetic treatments, including anti-ageing stem cell treatments, which can help an individual improve his appearance with minimal or no incisions. This also include phototherapy and/or laser treatments which offer solutions for facial fine lines and wrinkles, unwanted or excess hair, unwanted pigmentation and skin irregularities such as blemishes and acne scars.

b. **Beauty and wellness services:**

This involves acquiring/leasing and operating beauty and wellness complexes which offer in-house aesthetic and wellness treatments performed by physicians, together with hotel or serviced residence facilities which will allow customers to rest and recuperate at such complexes.

c. **Detoxification:**

This involves the development and sale of medical kits that screen and diagnose toxins and the provision of subsequent medication and treatments to remove the toxins in one’s body based on the diagnosis.

d. **Stem cell storage:**

This relates to the establishment of a stem cell storage bank business which will involve the collection, processing, testing, cryopreservation and storage of the stem cells of individuals for use in future medical treatments.

e. **Medical education and training:**

This involves setting up educational institution(s) to provide training and courses promoting international exchanges of physicians and specialists relevant to the Group’s future businesses.

f. **Investments in and distribution of medical equipment and products:**

This involves trading and investing in the research and development of medical equipment and products to provide comprehensive solutions to aesthetic and wellness with a view to commercialising them.

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The Group intends to enter the Proposed New Business prudently with the aim of enhancing Shareholders' value. Before undertaking any major investment and/or project in the Proposed New Business, management will prepare a feasibility study containing financial forecasts, risk analysis, market study, background of joint venture partners if any, and funding needs of the investment and/or project concerned. The Board will then discuss, deliberate and decide on the nature and extent of the Group's investment in such new businesses. In addition, the Board, which reviews the risk exposure of the Group for all its businesses at regular intervals, will additionally review the risk exposure of the Proposed New Business.

As a first step, the Company had on 11 June 2015 entered into the agreement for the purchase of a 51.0% interest in a medical aesthetics practice in Taiwan and PRC. Please refer to section 3 of this Circular for further details. Moving forward the Group will continue to explore each opportunity that arises related to the above mentioned businesses.

2.3 Management Expertise required for the Proposed New Business

The Company recognises that the Proposed New Business is substantially different from the business that the Group has been involved in. However, the Company is of the view that expertise required for the Proposed New Business can be acquired and developed by the Group over time as it grows. The Group intends to employ experienced personnel to strengthen the management expertise in its Proposed New Business as and when necessary. Whenever necessary, the Group may also engage ad hoc consultants and advisers to assist its existing management teams in the expansion, operation and administration of the Proposed New Business.

In this regard, The Company has identified and is in the process of appointing an experienced candidate to manage the Proposed New Business and to develop and scale up the Group's new engine of growth. He will also manage the team of existing physicians of the Group's Proposed Acquisition as set out in section 3 of this Circular. The Company will also appoint a financial controller to be in charge of the financials of the Proposed New Business who will be directly reporting to the chief financial officer of the Group.

2.4 Capital Commitment and Financing of the Proposed New Business

The Group intends to finance the initial working capital requirements of the Proposed New Business through internal funds. Future capital expenditure requirements of the Proposed New Business may be financed using a combination of internal funds, bank borrowings as well as working with potential joint venture partners who may be able to provide funding for projects. As and when necessary and deemed appropriate, the Group may also explore secondary fund raising exercises by tapping on the capital markets.

2.5 Rationale for the Proposed Diversification

The Board expects the Group's Existing Core Business to remain challenging in the face of increasing competition and the softening of customers' demand which will continue to affect the Group's profit margins. By diversifying its business to include the Proposed New Business, the new income stream will reduce the Group's profit reliance on the Existing Core Business as both businesses are non-correlated in nature.

The Group is proposing to embark on the selected Proposed New Business as:

- (a) The Proposed New Business may help the Group to generate potentially higher revenues

Total global spending in medical services is expected to grow from US\$357 billion in 2011 to US\$1 trillion by 2020.¹ The PRC has experienced strong growth in its healthcare industry driven by rapid urbanisation, growing affluence of the Chinese consumers, favourable regulatory changes and aging population.

¹ McKinsey & Company article dated November 2012

LETTER TO SHAREHOLDERS

In a recent study, the total revenue of aesthetic medical procedures in the PRC increased from US\$2.8 billion in 2009 to US\$4.7 billion in 2013, representing a CAGR of 14.2%. Furthermore, the aesthetic market is expected to maintain a CAGR of 13.8% for the next three years and reach US\$9.1 billion by 2018.² This represents a substantial level of revenue generating opportunity for the Group if the Proposed New Business is to be implemented and carried out with a PRC focus.

(b) The growing social acceptance of aesthetic medical treatments

The social acceptance of aesthetic medical treatments has increased and is expected to continue to increase as a result of increased consumerism and the resulting increase in attention to personal appearances, popular culture influences including South Korean popular culture and celebrity culture, increasing affordability of aesthetic medical treatments and lower risk and improved convenience of aesthetic medical treatments, particularly non-surgical aesthetic medical treatments.

With increasing disposable income in the PRC, consumerism has also increased, including growth of the luxury goods industry and advertising for luxury goods in the PRC. With this growth in consumerism there has been a parallel increase in attention to personal appearance which helps to drive the Chinese aesthetic medical treatment industry.

South Korean popular culture has significantly influenced the popular culture in Asia as evidenced by the popularity of South Korean television dramas and popular music in Asia. As a result, South Korean beauty trends including high acceptance of aesthetic medical treatments have influenced the Chinese market.

Globalisation and influence from western culture has had a large impact on people's lifestyle, making them more open-minded towards the aesthetic medical industry. The increased affordability, lowered risks and shorter recovery time from aesthetic medical treatments, particularly non-surgical aesthetic medical treatments, have also lowered the resistance of consumers to undergo aesthetic medical treatments

(c) The Proposed New Business can provide a longer period of revenue stream

The Proposed New Business consists of treatments and services, which, due to the nature, are recurring and of longer term, and this will generate more regular and longer revenue streams of income for the Group.

2.6 Risk Factors

The following is a list of key risk factors that are associated with the addition of the Proposed New Business to the Group's Existing Core Business. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Company or are currently not deemed to be material. If any of the following considerations and uncertainties develops into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected.

BUSINESS RISKS

The Group does not have any proven track record and operating history in the Proposed New Business

The Group does not have a proven track record in carrying out the Proposed New Business. There is no assurance that the Proposed New 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 New Business. The Proposed New Business 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.

² Frost & Sullivan interview and analysis dated 2014

LETTER TO SHAREHOLDERS

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

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the Proposed New Business may involve acquisitions, joint ventures 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. In such events, the Group's financial performance may be adversely affected.

The Group is subject to financing risks

The Proposed New Business may require substantial initial investment. The Group is unable to assure that sufficient internal funds would be adequate to fund the Proposed New Business. The Group may choose to raise additional funds through the issuance of debt or equity securities as well as external borrowings.

The Group will secure borrowings based on commercially acceptable terms, which may not be in the Group's control. In the event that the Group is unable to repay the obligations incurred from the borrowings, the Group's financial performance would be adversely affected.

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

Furthermore, in the event that the Group may not be able to secure external borrowings due to unforeseen circumstances, the Group would be unable to undertake additional investment and/or project in the Proposed New Business and hence would adversely affect the Group's profitability.

The Group is susceptible to fluctuations in foreign exchange rates that could result in the Group incurring foreign exchange losses

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, revenue derived from the Proposed New Business which is denominated in foreign currencies, such as NTD and RMB, may have an adverse impact on the Group's operating results if there is an unfavourable fluctuation of the foreign currencies against the S\$.

The Proposed New Business may 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 in the Proposed New Business, may adversely affect the Group's financial performance. 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 Group's ability to service loans and its ability to raise and service long term debt.

There is no assurance that our future plans will be commercially successful

We intend to expand our operations in Asia and such expansion plans may involve the setup of new clinics and education institute(s), expansion of medical facilities, joint ventures and/or the acquisition of companies that are complementary to our existing businesses.

There is no assurance that such expansion plans will be commercially successful. Such expansion plans may be expensive and may divert our management's attention and expose our business to unforeseen liabilities or risks associated with entering new markets or new businesses.

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We may also not be successful in integrating any acquired businesses and might not achieve the anticipated synergies for revenue growth and cost benefits. If we fail to achieve a sufficient level of revenue or if our expansion plans result in a lapse of customer service, performance problems with an acquired company, potential dilutive issuances of equity securities or the incurrence of debt, contingent liabilities, possible impairment charges related to goodwill or other intangible assets or any other unanticipated events or circumstances, our financial position and performance may be materially and adversely affected.

Regulations of loans and direct investment by offshore holding companies to PRC entities may delay or prevent the Group from making loans or capital contributions to the PRC subsidiaries, which could materially and adversely affect the Group's liquidity and ability to fund and expand the Proposed New Business

The Company may incorporate PRC subsidiaries to operate the Proposed New Business in the PRC. As such the Group may make loans and/or capital contributions to the PRC subsidiaries. In the event that the Company, as an offshore holding company of the PRC subsidiaries, intends to provide loans and/or capital contributions to the PRC subsidiaries, it will be subjected to regulations and approvals. Any capital contributions to the PRC subsidiaries must be approved by the Ministry of Commerce of the PRC or its local counterparts.

We cannot assure that the Group will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis with respect to future loans and/or capital contributions by the Company to our PRC subsidiaries. If the Group fails to complete such registrations or obtain such approvals, our PRC operations may be negatively affected, which could materially and adversely affect the liquidity and ability to fund and expand the Proposed New Business.

INDUSTRY RISKS

Ownership and legal supervision over foreign investment in the medical industry

The Proposed New Business may involve the setting up of wellness and aesthetic medical clinics and/or institutions in Asia. Such medical operations are subject to extensive supervision and regulations by the laws of different jurisdictions in Asia.

For instance in the PRC, foreign-owned medical institutions (other than Taiwan, Hong Kong or Macau owned medical institutions) are permitted to establish medical facilities only through equity or co-operative joint ventures with domestic medical institutions and enterprises. Till date, there is no certainty that the PRC government will permit eligible foreign investors to set up wholly owned foreign medical institutions.

As such, there is no assurance that the Group will be able to fully implement its business strategies for the Proposed New Business and the Group might resort to alternative forms of management agreements to operate its Proposed New Business. Our business, financial condition, results of operations and prospects may be materially and adversely affected as a result.

The Group is dependent on skilled and qualified medical professionals

The Proposed New Business is dependent on our ability to attract and retain skilled and qualified medical professionals. The ability to attract and retain them is dependent on several factors such as our continued reputation, the provision of a central administrative structure and facilities, financial remuneration and job satisfaction.

Although the Group intends to recruit highly qualified and suitable physicians as and when required as part of our Group's renewal process to ensure management continuity, any loss of the services of our physicians without suitable and timely replacements would be detrimental to us.

As the medical aesthetics and wellness industry is service-related, in the event that suitable and timely replacements are not available, our operations and financial performance may be adversely affected.

LETTER TO SHAREHOLDERS

The Group may not be able to compete successfully with our competitors

The industry in which we operate is highly competitive. We face competition from other medical aesthetics and wellness service providers in the PRC, Taiwan and other countries in Asia from both the public and private sectors, some of whom may have longer operating histories, wider range of services, more advanced technologies and equipment, greater brand recognition and/or greater financial resources. Such competitors may be in a better position to expand their market share. Increased competition may result in lower profit margins and a loss of market share. There is no assurance that we will be able to compete against our competitors effectively in the future.

We may face more intense competition in the future from existing competitors and new entrants into the market. If we fail to compete effectively, maintain or grow our market share, our financial performance and prospects may be adversely affected.

The Group is exposed to potential litigation and professional liability that may not be covered by insurance

The provision of professional medical aesthetics and wellness services entails inherent risks of liability. There is no assurance that there will not be medical and legal claims that are in excess of the amount covered by our medical insurance coverage or that such medical insurance coverage is comprehensive and covers all types of claims.

Medical professionals may be subject to disciplinary actions from the governing professional body and they may be fined and/or have their licences suspended or revoked.

In the event of such claims or disciplinary actions against us or our medical professionals, there may be an adverse effect on our financial performance, professional standing and market reputation.

The Group's prospects may be adversely affected if the perceived utility of stem cell therapy is diminished due to the lack of medical developments to overcome technical and therapeutic limitations on stem cell therapy

Stem cell therapy is still at a relatively early stage of development, and needs to overcome various technical obstacles before it can become an established medical practice. Due to the fact that stem cell therapy is a fairly new medical procedure with limited empirical data regarding its application, the long-term viability of stem cell therapy has yet to be firmly established. Stem cell therapy may never become an established medical practice and if the perceived utility of stem cell therapy declines, our business prospects may be adversely affected.

The Group's aesthetic medical facilities are subject to lease renewals and relocation risks

The Group may lease medical properties/facilities for the operations of the Proposed New Business. There is no assurance that we will be able to renew all of these leases or that we will be able to renew all of these leases at the prevailing rental rate. Failure to renew any of these leases or to renew any of these leases at the prevailing rental rate, or early termination may force us to relocate the affected operations. Any increase in rental rates will increase our operating expenses. In addition, relocation of our operations will cause disruptions to our normal business operations and we may have to incur additional expenses which may result in an adverse impact on our financial performance.

The Group's business, financial condition, results of operations and prospects may be adversely affected by an unfavourable market perception of the overall aesthetic medical and wellness industry

Aesthetic medical and wellness services have been gaining popularity in recent years. However, many consumers remain cautious about the risks inherent in aesthetic medical procedures and wellness treatments. We cannot assure you that there will not be a shift caused by media influences, peer perceptions, research indicating adverse health effects of aesthetic medical procedures and wellness treatments or otherwise, which can potentially lead to deterioration in the market perception of aesthetic medical and wellness treatments and to less demand for aesthetic medical services. In addition, if any allegation surfaces in the media or in social media forum of any accident, ineffectiveness of treatment, poor service standard or mishandling of sensitive personal information by any operator of aesthetic medical and wellness services, regardless of merits, the entire medical

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aesthetic and wellness industry and any industry participant including us could consequently be exposed to reputational harm. Our business, financial condition, results of operations and prospects may be materially and adversely affected as a result.

The Group may not be able to adequately protect our intellectual property rights, which could harm our brand and our business

We believe our trademarks and other intellectual property rights are crucial to our success. Although we rely on applicable laws to protect our intellectual property rights, these measures may not be sufficient to prevent misappropriation of our intellectual property rights. There is no assurance that third parties will not infringe on our intellectual property rights. Our efforts to enforce or defend our intellectual property rights may not be adequate, may require significant attention from our management and may be costly. We may have to initiate legal proceedings to defend the ownership of our trademarks or brand against any infringement by third parties, which may be costly and time-consuming, and we might be required to devote substantial management time and resources in an attempt to achieve a favourable outcome. Furthermore, the outcome of any legal actions to protect our intellectual property rights may be uncertain. If we are unable to adequately protect or safeguard our intellectual property rights, our business, financial condition, results of operations and prospects may be adversely affected.

In addition, in practice, other parties may register trademarks which may look similar to our trademarks under certain circumstances, which may cause confusion among consumers. We may not be successful in preventing other parties from using trademarks that are similar to ours or we may consider that the costs and time involved in preventing such use of similar trademarks outweigh the effects of preventive actions on our part and in such circumstances, our consumers may confuse our treatment centres with others using similar trademarks.

If the Group is unable to adapt to changing aesthetic medical and wellness trends and the clients' changing needs, we will not be able to compete effectively, which may materially and adversely affect the business, financial condition and results of operations

The aesthetic medical and wellness market requires us to closely monitor the trends in the market and the needs of our clients, which may require the introduction of new products, technologies, devices, solutions, service categories and treatment procedures and enhance existing services and procedures. There is the need to maintain strong relationships with leading overseas aesthetic medical institutions and beauty and wellness service providers to ensure that we are accessing the latest technology and quickly and cost-effectively responding to our clients' changing needs. We may be required to incur development and acquisition costs to keep pace with new technologies. Failure to identify, develop and introduce new products, solutions, service categories, features, enhancements and technologies on a timely and cost-effective basis may result in a decrease in demand for our services and we may not be able to compete effectively or attract clients, which may materially and adversely affect our business and results of operations.

The Group may not be able to develop and successfully market new products

The market condition and technologies deployed in the Proposed New Business are continuously evolving and we expect the beauty and wellness market to evolve towards newer and more advanced products. Whether we can successfully compete in this market largely depends on our ability to anticipate industry trends and identify, develop and market new and advanced products that meet our customers' demand in a timely and cost effective manner.

Developing and launching new beauty and wellness products require significant resources and can be costly, time consuming and difficult. The successful launch of a new product depends on a number of factors, including our ability to:

- Properly identify and anticipate industry trends and market demand;
- Research and develop commercially viable products in a timely manner;
- Effectively manage the time and costs involved in product registration and other regulatory clearances or approvals;
- Compete effectively with other developers, manufacturers and marketers;
- Price our products at both competitive and commercially justifiable levels;
- Increase awareness and acceptance of our new products; and
- Introduce new products to the market in a timely and effective manner.

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We may not always be able to anticipate correctly or at all the industry trend and market demand for beauty and wellness products. Our research and development efforts may not lead to new products that are commercially successful. Even if they lead to new products that are commercially successful, product development is a lengthy process and that may take years to complete. We may also experience delays or be unsuccessful in manufacturing new products, or fail in clinical trials and product registration. Any such delay or failure could negatively affect the launch of the new products. Further, we cannot assure you that our new products will be accepted by the market at all.

In addition, our competitors may have stronger product development capabilities than us, which may enable them to launch new products earlier than us and produce more effective products on a more cost efficient manner than us. The introduction of new products by our competitors may also render our products obsolete or uncompetitive, increase price competition between us and our competitors and result in reductions in our profit margins and losses of our market shares.

The Group might not be able to effectively manage our network of marketing partners and the actions taken by our marketing partners

We may rely on co-operation agreements to ensure that our marketing partners comply with our policies. Our marketing partners may breach our co-operation agreements through the following actions:

- Failing to meet the annual sales targets set by the co-operation agreements;
- Promoting our competitors;
- Violating applicable laws and regulations including anti-corruption and other laws;
- Failing to maintain the requisite approvals, licenses or registrations as a marketing partner; and
- Failing to adequately promote our services.

GEOGRAPHICAL RISKS

The Group is subject to various government regulations in the Proposed New Business

The Group will be subject to regulations and policies of Taiwan and the PRC or other jurisdictions in Asia which the Company intends to operate in. Regulations would include but are not limited to the obtaining of medical and education licenses, compliance of regulations and completion of documentations. This would increase the costs incurred by the Group and hence may adversely affect the profitability of the Group. The Ministry of Health and Welfare in Taiwan (“**MOHW**”) had in September 2015 proposed to strengthen the management of aesthetic medical care and in this regard issued a public consultation paper on draft regulations relating to, *inter alia*, aesthetic medical surgery, aesthetic medical injection and aesthetic medical laser treatment. Medical institutions and doctors who perform such aesthetic medical care are required to fulfill certain qualifications and/or obtain training certificates in certain courses. Under such draft regulations, the doctors who perform the said three (3) types of aesthetic medical care shall have obtained a specialist certificate or other certification documents issued by the MOHW approved medical institutions or associations evidencing that they have completed the required training programs. For aesthetic medical surgery, the draft regulations specifically provide that for those doctors who do not meet the qualification of performing the aesthetic medical surgery but have performed the aesthetic medical care for at least three (3) years, they may submit an application to the Aesthetic Medical Surgery Qualification Verification Committee organized by the MOHW to confirm that they have met the required qualifications. Such applications shall be submitted within one (1) year from the date of implementation of the regulations. The said draft regulations and the feedback received during the public consultation stage are, as at the Latest Practicable Date, under review by the MOHW and may be subject to further changes and/or amendments before its implementation. In the event our physicians are unable to comply with the regulations in the form implemented within the stipulated timeframe set out therein, our physicians may not be able to provide the full range of aesthetic medical services and this may have a material and adverse impact on our Group’s business.

The Group must also comply with the applicable laws and regulations in the Proposed New Business, failing which the Group may be subject to penalties, have its licenses or approvals revoked, or lose its right to own, develop or manage its assets which may have a material and adverse impact on the Group’s business, financial condition, results of operations and prospects.

Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations of the Group and the financial performance of the Group.

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The Group is heavily dependent on the economies of Asia

Our target customers are concentrated in Asia and we may be unable to mitigate the effects of any adverse trends in economic development and disposable income, any outbreak of epidemics or any other factors in the regions which we operate the Proposed New Business in. In particular:

- The successful operation and growth of the Proposed New Business are primarily dependent on general economic conditions in Asia, which are in turn affected by various factors, including demographic trends, the strength of the manufacturing and services industries, and tourism. A downturn in the manufacturing and services and tourism industries could potentially worsen the economic conditions of the regions in which we operate. A deterioration of current economic conditions or an economic downturn in Asia as a whole, or in Taiwan and the PRC in particular, could result in declines in new customer sign-ups and impair our growth; and
- Our ability to sign up new customers generally depends on the disposable income of target customers. There are many factors that are likely to cause such discretionary spending to fall, such as increases in interest rates, inflation, economic recession, declines in consumer credit availability, increases in consumer debt levels, increases in tax rates, increase in unemployment, and other matters that influence consumer confidence and spending.

One of our growth strategies is to focus on increasing our penetration in the PRC and exploring new markets in Asia, which could be risky, because adverse economic or regulatory developments in one or more of these markets may have a material adverse effect on our financial position and results of operations.

The Group may face difficulties in remitting capital, profits and dividends out of the countries it may operate in pursuant to the Proposed New Business

The Group may establish foreign entities for the Proposed New Business in Asia, which may experience difficulty in remitting capital, profits and dividends out of its countries of operation, as such remittances may be subject to scrutiny and specific approval of the government or regulatory authorities in such countries, or may be subject to foreign exchange policies and conditions prevailing from time to time.

The Group may be affected by terrorist attacks, natural disasters and other events beyond its control

Terrorist attacks such as those that occurred in the United States of America and Indonesia, natural disasters and other events beyond our control that could occur in the markets in which we operate may lead to uncertainty in the economic outlook of these markets leading to an economic downturn. This will in turn have an adverse impact on the global economy in general and the Proposed New Business.

Our current insurance policies do not cover terrorist attacks. The consequences of any such terrorist attacks, natural disasters or other events beyond our control are unpredictable, and we are not able to foresee events of such nature, which could cause interruptions to parts of the Proposed New Business and have an adverse effect on our business operations and financial position.

2.7 Application of Chapter 10 of the Catalist Rules to the Proposed Diversification

As the Proposed New Business is substantially different from the Group's Existing Core Business, it is envisaged that the Proposed Diversification will change the existing risk profile of the Group. Accordingly, the EGM will be convened by the Company to seek Shareholders' approval for the Proposed Diversification. Upon the approval by Shareholders of the Proposed Diversification, any acquisition which is in, or in connection with, the Proposed New Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Proposed New Business and which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the Proposed New Business arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

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Notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained,

- (a) Rule 1015 of the Catalist Rules will apply to acquisitions of assets (including options to acquire assets) whether or not in the Company's ordinary course of business (which will include the Proposed New Business) and which results in any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeding 100% or results in a change in control of the Company. Such acquisitions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting; or
- (b) Part III of Practice Note 10A of the Catalist Rules will apply to acquisitions or disposals of assets (including options to acquire or dispose assets) which will change the risk profile of the Company. Such transactions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

3. DETAILS OF THE PROPOSED ACQUISITION

3.1 Introduction

The Company had on 11 June 2015 entered into the SPA and on 15 October 2015 entered into a supplemental agreement to the SPA with the Vendor for the sale by the Vendor, and the purchase by the Company, of 51.0% of the issued and paid-up share capital of China iMyth. Pursuant to the SPA, the Parties agreed that the Vendor shall sell and transfer and the Company shall acquire from the Vendor, all of the Vendor's rights, title and interest in and to the Sale Shares, free and clear of all encumbrances, together with all rights, entitlements and benefits attaching thereto, for an aggregate consideration of S\$18.875 million.

3.2 Information on China iMyth

China iMyth was incorporated in Singapore as a joint venture between Dr Chung Yih-Chen and the Vendor, in which a joint venture agreement was entered into by Dr Chung Yih-Chen, Ms Zhang Xiaonan, iMyth International Medical Holdings Group Co., Ltd. ("**JVA Partners**") and the Vendor so as to form a strategic alliance for the provision of medical aesthetic services in Taiwan and the PRC (the "**JVA**"). Dr. Chung leads a group of doctors from a previous medical practice in Taiwan known as iMyth Aesthetic Medical Group, which was established since 2008. China iMyth was formed in April 2015 to assume and operate the same medical practices, clinics and businesses of iMyth Aesthetic Medical Group.

Further details on the structure of China iMyth and how the aesthetic medical practice will be organized and managed subsequent to completion is set out in Appendix B of this circular.

3.3 Novation of Joint Venture Agreement

Subsequent to the SPA and the supplemental agreement to the SPA, the Company had on 15 October 2015 entered into a deed of novation of the JVA to assume the rights and obligations of the Vendor under the JVA.

Pursuant to the JVA as novated and amended, the JVA Partners will be responsible for, *inter alia*, the overall supervision and management of all medical aspects of the provision of aesthetic medicine and related services, the assistance of the China iMyth Group in the management of the operations and the provision of training to the physicians, medical doctors and other medical related personnel of the China iMyth Group on all aspects of aesthetic medicine and education services in relation to the same.

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In consideration of the services provided by the JVA Partners, they are entitled under the JVA to charge a management fee to China iMyth equivalent to 11% of the annual net profit of China iMyth, being the audited consolidated net profit of China iMyth and excluding extraordinary items, any amounts received or written back for debt or any other provisions, and such profit calculated by reference to the prevailing generally accepted accounting principles, standards and practices in Singapore.

The Company will be responsible for, *inter alia*, the provision of USD1,800,000 as funding to China iMyth, assisting in general and financial management of the China iMyth Group and the preparation of the business plan of the China iMyth Group which includes but is not limited to setting and implementing of performance targets or key performance indicators.

With effect on and from the Completion Date, China iMyth shall have two directors namely Dr Chung Yih-Chen and Mr Tai Kok Chuan. The Company has the right to appoint Mr Tai Kok Chuan as the Chairman of China iMyth who will have a second or casting vote in the event of an equality of votes at a meeting of the directors of China iMyth. The JVA as novated and amended sets out the procedures regulating board meetings of China iMyth and also provides for certain instances where unanimous consent of the board of directors of China iMyth is required; for example changes in the issued share capital of China iMyth, determination of China iMyth's strategy, development direction and short term and long term development plans.

In addition, pursuant to the JVA, in the event that any shareholder receives a bona fide offer in writing to purchase any of its shares, such shareholder must provide written notice of such offer to the other shareholders who shall be allowed to exercise their pre-emption rights in relation to the purchase of such shares. Further, in the event that any shareholder proposes to sell any or all of its shares to an offeror and the other shareholders have not elected to purchase such shares, the other shareholders shall have the right to exercise their tag along rights and participate in the same sale of the shares to such offeror.

Each of the JVA Partners will be jointly and severally responsible to China iMyth and the Company in respect of its/his/her liabilities, obligations, covenants, conditions and stipulations in respect of or in connection with the JVA.

3.4 Information of the Vendor

The Vendor is an investment holding company incorporated in the Republic of Singapore on 10 June 2014. As at the Latest Practicable Date, the shareholders of the Vendor are Dato Dr. Choo Yeow Ming, Ms Qiang Lin Mei and Prometheus Partners Holding Limited. In addition, the directors of the Vendor are Mr Tan Giong Seng Johnson, Dato Dr. Choo Yeow Ming and Ms Qiang Lin Mei.

3.5 Total Consideration

The Total Consideration of S\$18.875 million shall be fully satisfied by the following:

- (a) the issue and allotment on Completion to the Vendor (or as it may direct) of 550,000,000 new Shares at a deemed issue price of S\$0.0125 per Consideration Share;
- (b) a sum of S\$6 million in cash payable to the Vendor on Completion; and
- (c) the balance S\$6 million shall be paid within six (6) months from Completion, subject to any subsequent extension of payment date that is mutually agreed between the parties.

The Total Consideration was arrived at after arm's length negotiations between the Company and the Vendor, and on a willing-buyer and willing-seller basis and is subject to certain conditions precedent, including the completion of a satisfactory due diligence on China iMyth, an independent valuation satisfactory to the Company reflecting a valuation of S\$19 million (subject to a maximum variance of 10%) for the Sale Shares.

The issue price for the Consideration Shares is equivalent to the volume weighted average price ("VWAP") of the Shares of S\$0.0125 on 8 June 2015, being the last market day preceding the date of the SPA.

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Consideration Shares of 275 million shares will be issued to each of Dato Dr. Choo Yeow Ming and Ms Qiang Lin Mei (being two of the shareholders of China iMyth and persons whom the Vendor has directed to receive the Consideration Shares pursuant to the terms of the SPA). Please refer to Appendix A for further information on Dato Dr. Choo Yeow Ming and Ms Qiang Lin Mei.

On the issue and allotment of the Consideration Shares, the Consideration Shares shall be credited as fully-paid and shall rank pari passu in all respects with the then existing Shares, save for any dividends, rights, allotments or any distributions, the record date of which falls before the Completion Date. The Consideration Shares are subject to a moratorium period of 12 months from the date of issue.

The Cash Consideration will be funded through a combination of internal resources and additional equity funds raised through the Proposed Share Placement.

3.6 Introducer Fee

Pursuant to the Introducer Agreement on 11 June 2015 and supplemental agreement on 17 June 2015 entered into between the Company and the Mdm Oei Siu Hoa @ Sukmawati Widjaja (the “**Introducer**”), the Company will pay the Introducer S\$80,000 in cash (the “**Introducer Fee**”) following the completion of the Proposed Acquisition.

The Introducer is the mother of Mr Hano Maeloa, a Director of the Company, and hence an Associate of Mr Hano Maeloa. As such, the Introducer is an Interested Person falling within the meaning of Chapter 9 of the Catalist Rules and the payment of the Introducer Fee is considered an IPT. As the Introducer Fee is less than S\$100,000, the announcements/shareholders’ approval requirements under Chapter 9 of the Catalist Rules are not applicable for the payment of the Introducer Fee.

3.7 Rationale of the Proposed Acquisition

The Board expects the Group’s existing core trading businesses to remain challenging as increasing competition and the softening of customers’ demand for the Group’s trading and distribution businesses of metal related raw materials and consumables will continue to erode the Group’s margins. Accordingly, the Proposed Acquisition is in line with the Group’s previously disclosed strategic plans and on-going efforts to pursue new investment opportunities and to diversify its businesses.

In addition, the Board also believes that the Proposed Acquisition will give the Group exposure to the medical industry and generate an alternative revenue stream for the Group to improve its profitability. The Board is hence of the view that the Proposed Acquisition is likely to enhance the long term interests of Shareholders.

3.8 Conditions Precedent to the Proposed Acquisition

Completion shall be conditional upon the following being satisfied (or waived):

- (a) the Company obtaining such approval(s) from its Board and Shareholders in connection with the SPA and the entry into, implementation and completion of, the transactions contemplated therein, including in particular:
 - (i) the Proposed Acquisition;
 - (ii) the issue and allotment to the Vendor (or as it may direct) of 550,000,000 new Shares at a deemed issue price of S\$0.0125 per Consideration Share;
 - (iii) the new share issue mandate for the Company to issue and allot shares and convertible securities pursuant to Section 161 of the Companies Act; and
 - (iv) any additional items as may be agreed between the Parties.
- (b) the resolution of the board of directors of the Vendor and the China iMyth having been obtained for the entry into, implementation and completion of, the transactions contemplated to be entered into in the SPA;

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- (c) Physician agreements to be entered into between either of the Taiwan Clinics and a group of physicians (identities of whom to be mutually agreed by the Vendor and the Company) respectively on terms to be mutually agreed between the Vendor, the Company and the respective physicians;
- (d) all necessary consents, approvals and waivers of any government bodies, stock exchange and other regulatory authority having jurisdiction over the transactions contemplated in the SPA (whether in Singapore, the PRC and any other applicable jurisdiction) and all other transactions in connection therewith and incidental thereto, having been obtained by the Company or the Vendor, as relevant, (including without limitation the in-principle approval of SGX-ST being obtained by the Company in relation to the listing and quotation of the Consideration Shares on the Catalist), such consents, approvals and waivers not having been amended or revoked before the Completion Date, and to the extent that such consents, approvals and waivers are subject to any conditions required to be fulfilled before the Completion Date, all such conditions having been duly so fulfilled;
- (e) no relevant authority taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or having made, proposed or enacted any statute, regulation, decision, ruling, statement or order or taken any steps, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:
 - (i) make the transactions contemplated in the SPA and all other transactions in connection therewith and incidental thereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same;
 - (ii) render the Company unable to purchase all or any of the Sale Shares in the manner set out in the SPA; and/or
 - (iii) render the Vendor unable to dispose all or any of their Sale Shares in the manner set out in the SPA;
- (f) all representations, undertakings and warranties of the Vendor and the Company under the SPA (including the appendices) being complied with, true, complete, accurate and correct in all material respects to the best knowledge and belief of the Vendor and the Company as at the date of the SPA and until the Completion Date;
- (g) the issuance of the independent Valuation Report on China iMyth reflecting a valuation of S\$19 million (subject to a maximum variance of 10%) for the Sale Shares, and the results of such an independent Valuation Report being satisfactory to the Company in its sole and absolute discretion;
- (h) the satisfactory outcome of due diligence carried out by the Company on the financial, legal, contractual, tax and business of China iMyth, provided that the Purchaser shall not deem the outcome of such due diligence unsatisfactory without reasonable cause and without first giving the Vendor a period of at least 20 business days to remedy any default in respect thereof;
- (i) the transfer of 100% of the shares in China iMyth (Shanghai) Co., Ltd. to China iMyth (Hong Kong) Pte Limited. and the transfer of 100% of the shares in iMyth (Hong Kong) Pte. Limited. to the China iMyth having been duly effected; and
- (j) the undertaking from Dr Chung Yih-Chen (in such form agreed with the Company) in relation to, *inter alia*, information about the business, operations, financials, employees and key personnel of the China iMyth Group having been duly signed.

Subject to the conditions precedent of the Proposed Acquisition being satisfied or waived prior to the Long Stop Date, the Proposed Acquisition will be completed on the date falling no more than ten (10) business day after the satisfaction of the conditions precedent set out in the SPA or such other date as the Parties may agree in writing.

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3.9 Relative Figures under Rule 1006 of the Catalist Rules

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable to an acquisition
(b)	Net profits attributable to the China iMyth Group as compared with the Group's net loss for the period ended 30 June 2015	Not applicable ⁽¹⁾
(c)	The Total Consideration as compared with the Company's market capitalisation as at 8 June 2015, being the last market day immediately preceding the date of the SPA	79.55% ⁽²⁾
(d)	The number of Consideration Shares to be issued by the Company as consideration for the Proposed Acquisition, as compared with the number of equity securities of the Company previously in issue	28.98% ⁽³⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	Not applicable

Notes:

- (1) Not meaningful as China iMyth was incorporated in April 2015 for the purpose for the Proposed Acquisition and therefore has no current financial statements.
- (2) Based on (i) the Total Consideration of S\$18,875,000 and (ii) the market capitalisation of the Company of approximately S\$23,726,034 (calculated based on its issued share capital as at the date of announcement on the Proposed Acquisition, comprising 1,898,082,715 Shares, and the volume weighted average price of its Shares of S\$0.0125 on 8 June 2015, being the last market day preceding the date of the SPA).
- (3) Based on the 550,000,000 Consideration Shares and 1,898,082,715 Shares of the Company as at the date of announcement on the Proposed Acquisition.

As the relative figure under Rule 1006(c) of the Catalist Rules exceeds 75.0% but is less than 100.0%, the Proposed Acquisition would constitute a "Major Transaction" transaction pursuant to Chapter 10 of the Catalist Rules. Accordingly, the Proposed Acquisition is subject to, *inter alia*, the approval of the Shareholders.

3.10 Valuation of the China iMyth Group

The Company had on 13 July 2015, commissioned the Independent Valuer to conduct a valuation of the China iMyth Group and the value of the China iMyth Group was determined to be S\$37,023,000 as at the date of valuation of 30 June 2015. As stated in the Valuation Report, the valuation was based on the income approach. The valuation employed in the Valuation Report has been based on market value which is defined as "the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion", and was prepared in accordance with the International Valuation Standards (2011 Edition) as published by the International Valuation Standard Committee. Based on the Valuation Report, the implied valuation of the Sale Shares is approximately S\$18,881,730.

A copy of the Valuation Report is reproduced in Appendix C of this Circular and will be made available for inspection by Shareholders during normal business hours at the registered office of the Company for 3 months from the date of this Circular. Shareholders are advised to read the Valuation Report carefully in its entirety.

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4. THE PROPOSED SHARE PLACEMENT

4.1 Share Subscription Agreement

The Company had on 17 June 2015 entered into a subscription agreement (the “**Shares Subscription Agreement**”) with Mdm Sukmawati Widjaja (the “**Placee**”) pursuant to which the Placee will agree to subscribe for up to an aggregate of 200,000,000 Shares (the “**Subscription Shares**”) at an issue price of S\$0.01125 (the “**Subscription Price**”).

4.2 Subscription Price

The Subscription Price represents a discount of approximately 31.4% to the VWAP of S\$0.0164 for trades done on the Shares on the SGX-ST for the full market day on 17 June 2015 (being the full market day prior to the signing of the Share Subscription Agreement).

4.3 Information of the Placee

Mdm Sukmawati Widjaja is the Executive Chairman of Top Global Limited, which is listed on the SGX-ST. Previously, she was Vice-Chairman and Chief Executive Officer of the family-controlled Sinar Mas Group (which was founded by her father, Mr Eka Tjipta Widjaja). Since she took over the reins in 1988, she has been instrumental in maintaining the group’s lead as one of Indonesia’s top conglomerates, with interests ranging from palm oil, paper, food and property development.

4.4 Subscription Shares

The Subscription Shares, if and when fully allotted, issued and fully paid, will rank *pari passu* in all respects with the existing Shares save that they shall not rank for any entitlements, distributions, dividends or rights (if any), the record date in respect of which falls prior to the date of issue of the Subscription Shares.

4.5 Conditions Precedent to the Proposed Share Placement

The Proposed Share Placement is conditional upon, *inter alia*:

- (a) approval in-principle for the listing and quotation of the Subscription Shares on the Catalist of the SGX-ST (on conditions, if any, acceptable to the Company and the Placee) having been obtained from the SGX-ST and remaining in full force and effect and where such approval is given subject to conditions which must be fulfilled on or before the Share Placement Completion Date (as defined herein), such conditions being reasonably acceptable to the Placee or fulfilled by the Company, as the case may be;
- (b) the Shares Subscription Agreement and all transactions contemplated in the Shares Subscription Agreement having been approved by the Shareholders (if required pursuant to the Catalist Rules), and such approval being in full force and effect as at the Share Placement Completion Date;
- (c) the Company obtaining such approval(s) from its board of directors in connection with the Shares Subscription Agreement and the transactions contemplated therein as may be necessary;
- (d) the allotment, issue and subscription of the Subscription Shares by the Placee not being prohibited by any statute, order, rule or regulation promulgated or issued hereafter by any legislative, executive or regulatory body or authority of Singapore;
- (e) as at the Shares Placement Completion Date, the trading of the Shares not being suspended by the SGX-ST (other than a suspension on a temporary basis requested by the Company) and the Shares not having been delisted;
- (f) the representations and warranties of the Company in the Shares Subscription Agreement being true, accurate and correct in all material respects as if made on the Shares Placement Completion Date, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations therein to be performed on or before the Shares Placement Completion Date; and
- (g) the completion of the Proposed Acquisition.

LETTER TO SHAREHOLDERS

4.6 Completion of the Proposed Share Placement

Completion of the Proposed Share Placement shall take place on a date no later than the seventh (7th) business day after the satisfaction of the last of the conditions set out in the Shares Subscription Agreement and Section 4.5 above, or such other date as may be agreed between the parties (the “**Share Placement Completion Date**”).

4.7 Use of proceeds from the Proposed Share Placement

The estimated net proceeds from the Proposed Share Placement (after deducting the estimated expenses, including but not limited to the professional fees in relation to the Proposed Share Placement) are approximately S\$2,240,000 (“**Share Placement Net Proceeds**”).

The Company intends to use up to 70% of the Share Placement Net Proceeds for the Group’s growth and expansion (including but not limited to the Proposed Acquisition) and the balance for working capital.

Pending the deployment of the Share Placement Net Proceeds from time to time for the abovementioned intended purpose, such proceeds may be placed as deposits with banks and/or financial institutions and/or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Board may deem fit in the interest of the Group.

The Company will make periodic announcements on the utilisation of the Share Placement Net Proceeds as and when such proceeds are materially disbursed, and provide a status report on the use of the proceeds raised in the its interim and full-year financial statements issued under Rule 705 of the Catalist Rules and its annual report. Where the proceeds have been used for working capital purposes, the Company will also provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements and that the reasons for the Proposed Share Placement are, *inter alia*, to fund the working capital and/or for the Group’s growth and expansion (as and when the opportunities arise).

4.8 Rationale for and Benefit of the Proposed Share Placement

The Placee, who had introduced the Proposed Acquisition to the Company, is subscribing for the Subscription Shares to express her support for the Company, as well as for the purposes of personal investment. The Subscription Price was arrived at after taking into consideration the prevailing share price of the Company on the date of the Shares Subscription Agreement, the exercise price of the warrant subscription agreement entered into on 11 June 2015 (“**Warrants**”) and the higher level of risk associated with the subscription of Shares given that the Group does not have a proven track record and operating history in the Proposed New Business.

As mentioned in Section 4.7 above, the Company intends to use up to 70% of the Share Placement Net Proceeds for the Group’s growth and expansion (including but not limited to the Proposed Acquisition) and the balance for working capital.

4.9 Chapter 8 of the Catalist Rules

The Placee is the mother of Mr Hano Maeloa, a Director of the Company, and hence an Associate of Mr Hano Maeloa. Further details about the Placee are set out in Section 4.3 of this Circular. As at the Latest Practicable Date, the Placee does not hold any Shares.

As the Placee is a person falling under Rule 812(1)(b) of the Catalist Rules, the Company will be seeking the approval of the Shareholders for the Proposed Share Placement pursuant to Rules 804 and Rule 812(2) of the Catalist Rules at the EGM.

4.10 Chapter 9 of the Catalist Rules

The Company is an entity at risk within the meaning of Chapter 9 of Catalist Rules in relation to the Proposed Share Placement. The Placee is the mother of Mr Hano Maeloa, a Director of the Company, and hence an Associate of Mr Hano Maeloa. As such, the Placee is an Interested Person falling within the meaning of Chapter 9 of the Catalist Rules.

LETTER TO SHAREHOLDERS

Based on the audited consolidated financial statements of the Group for FY2014, the audited consolidated net tangible assets (“**NTA**”) of the Group as at 31 December 2014 (the “**Audited NTA**”) was approximately S\$9,759,000. Based on the value of the discount of S\$1,030,000 on the Subscription Share price against the VWAP, the value at risk to the Company for the purposes of Chapter 9 of the Catalyst Rules is approximately 10.6% of the Audited NTA. Accordingly, pursuant to Rule 906 of the Catalyst Rules, the Company will be seeking the approval of the Shareholders for the Proposed Share Placement at the EGM.

Mr Hano Maeloa will abstain from voting on Ordinary Resolution 3 relating to the Proposed Share Placement and will procure his Associates likewise to abstain from voting their Shares at the EGM in respect of such resolution.

The Company has not during the financial year-to-date, entered into any transaction (excluding transaction less than S\$100,000) with any other Interested Persons apart from the Proposed Share Placement.

4.11 Opinion of the Audit Committee

Taking into consideration, amongst others, the rationale for and the proceeds to be raised by the Proposed Share Placement, the Subscription Price, terms for the Subscription Shares and the exercise price and terms of the Warrants, the Audit Committee of the Company, save for Mr Hano Maeloa, has reviewed the terms of the Proposed Share Placement and is of the view that the Proposed Share Placement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

4.12 Private Placement

The Proposed Share Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND THE PROPOSED SHARE PLACEMENT

The pro forma financial effects of the Proposed Acquisition and the Proposed Share Placement on the Group as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after completion of the Proposed Acquisition and/or the Proposed Share Placement.

The pro forma financial effects set out below have been prepared based on the latest audited consolidated financial statements of the Group for FY2014 and based on the following assumptions:

- (a) the financial effects on the Group’s EPS are computed assuming that the Proposed Acquisition and the Proposed Share Placement were completed on 1 January 2014;
- (b) the financial effects on the Group’s NTA are computed assuming that the Proposed Acquisition and the Proposed Share Placement were completed on 31 December 2014;
- (c) expenses in connection with the Proposed Acquisition and the Proposed Share Placement are approximately S\$600,000 and S\$10,000 respectively; and
- (d) The fair value adjustment on the net assets of the Group and intangibles (including positive or negative goodwill) arising from the Proposed Acquisition, if any, have not been considered for the purpose of computing the financial effects of the Proposed Acquisition.

Any intangibles (including goodwill) arising thereon from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Company. As the actual intangibles will be determined upon the purchase price allocation exercise, the eventual amount could be materially different from the amount derived based on the assumption used.

For the avoidance of doubt, the financial effects of the Proposed Acquisition do not take into account the historical financial information of the iMyth Aesthetic Medical Group due to the nature of the structure of the Proposed Acquisition set out in Appendix B of this Circular.

LETTER TO SHAREHOLDERS

5.1 Share Capital

Group	As at 31 December 2014	After completion of the Proposed Acquisition	After completion of the (i) Proposed Acquisition and (ii) Proposed Share Placement
Issued and paid-up share capital (S\$'000)	38,114	44,989	47,239
Number of issued shares ('000)	1,889,650	2,439,650	2,639,650

5.2 Loss per Share

Group	FY2014	After completion of the Proposed Acquisition	After completion of the (i) Proposed Acquisition and (ii) Proposed Share Placement
Loss attributed to equity holders of the Company (S\$'000)	(13,105)	(13,705)	(13,715) ^{(1) (2)}
Number of issued shares ('000)	1,889,650	2,439,650	2,639,650
LPS (Singapore cents)	(0.69)	(0.56)	(0.52)

Notes:

- (1) As China iMyth, iMyth Taiwan Limited, and China iMyth (Shanghai) Co., Ltd were incorporated on April 2015, September 2015 and September 2015 respectively for the Proposed Acquisition, the China iMyth Group had no operational activities since their respective dates of incorporation. China iMyth (Hong Kong) Pte Limited, a dormant company since incorporation on February 2014 has been incorporated into the China iMyth Group on September 2015.
- (2) Adjusted for the estimated expenses in connection with the Proposed Acquisition and the Proposed Share Placement of S\$600,000 and S\$10,000 respectively.

5.3 NTA per Share

Group	As at 31 December 2014	After completion of the Proposed Acquisition	After completion of the (i) Proposed Acquisition and (ii) Proposed Share Placement
NTA (S\$'000)	9,759	(2,341) ⁽¹⁾	(101) ⁽¹⁾⁽²⁾
Number of issued shares ('000)	1,889,650	2,439,650	2,639,650
NTA per Share (Singapore cents)	0.52	(0.10)	(0.004)

Notes:

- (1) Adjusted for the Cash Consideration of approximately S\$12 million, the aggregate value of the key assets which were transferred from the iMyth Aesthetic Medical Group to the China iMyth Group of approximately S\$500,000 as at 30 September 2015, and the provisional intangibles of S\$18,375,000 arising from the Proposed Acquisition which was valued at S\$18,881,730 by the Independent Valuers (please refer to Section 3.10 and Appendix C of the Circular for information on the valuation). Please note that the provisional intangibles arising from the Proposed Acquisition are for illustration purposes and the final amount and purchase price allocation will be subject to determination upon Completion.
- (2) Adjusted for the items in Note (1) above and the estimated cash expenses in connection with the Proposed Acquisition and Share Placement of approximately S\$600,000 and S\$10,000 respectively.

LETTER TO SHAREHOLDERS

6. DETAILS OF THE PROPOSED CHANGE OF AUDITORS

6.1 Rationale for the Proposed Change of Auditors

Foo Kon Tan, the Company's existing auditors, has served as auditors of the Company for six (6) years since the financial year ended 31 December 2009. Foo Kon Tan was re-appointed as auditors of the Company at the 2015 AGM to hold office until the conclusion of the next annual general meeting of the Company.

As part of ongoing good corporate governance and better cost management, the Board is of the view that a change of auditors would enable the Company to benefit from fresh perspectives and views of another professional audit firm and also enhance the value of the audit. A renewal of this nature is also indicative of the Company's efforts to ensure that there would be no actual or perceived issues of independence of auditors for good corporate governance.

At the request of the Company, Foo Kon Tan had, on 8 October 2015, given notice of its resignation as the auditors of the Company and Nexia TS had, on 12 October 2015, given its written consent to be appointed as the new auditors of the Company. The change of auditors is subject to approval of Shareholders at the EGM and the consent from ACRA for Foo Kon Tan's resignation as auditors of the Company. A copy of Foo Kon Tan's notice of resignation is set out in Appendix D of this Circular.

Pursuant to Section 205AB of the Act, the resignation of Foo Kon Tan will take effect upon the later of (a) the day (if any) specified for the purpose in the notice of resignation of Foo Kon Tan; (b) the day on which ACRA notifies Foo Kon Tan and the Company of ACRA's consent to the resignation; or (c) the day (if any) fixed by ACRA. As ACRA has issued its consent to the resignation on 26 August 2015, the appointment of Nexia TS as the new auditors of the Company will be effective upon the approval of Shareholders being obtained at the EGM for the Proposed Change of Auditors and Nexia TS will hold office until the conclusion of the next annual general meeting.

The Directors wish to express their appreciation for the past services rendered by Foo Kon Tan.

6.2 Information on Nexia TS and the Audit Engagement Partner

Nexia TS Public Accounting Corporation is associated with Smith & Williamson, of which both Nexia TS Public Accounting Corporation and Smith & Williamson are independent member firms of Nexia International. Nexia International is a leading global network of independent accounting and consulting firms with a total fee income of USD2.33 billion, and is supported by some 24,000 professional staff and 570 offices in more than 110 countries globally. Smith & Williamson is a leading independent accounting, financial advisory and investment management group with over 1,500 employees in 11 offices in the United Kingdom and Ireland, with its headquarters in London.

Loh Hui Nee, with many years of audit experience, is the designated Audit Engagement Director who will be assigned to lead the audit of the Company. Loh Hui Nee has led audit engagement of large groups involving diverse businesses including the engineering and construction, real estate, manufacturing, trading, shipping and oil and gas sectors. Her past and present clients include privately-owned enterprises to multi-national corporations and companies listed on the SGX-ST. She was also involved in IPO projects where the firm acted as the reporting accountant. Many of the clients she worked with operate in the region as well as globally. Loh Hui Nee is a practising member of the Institute of Singapore Chartered Accountants and is a public accountant registered with ACRA.

Loh Hui Nee will be assisted by a team of audit professionals in performing the audit. This includes a Quality Review Director, who is an experienced director to ensure that the engagement team provides independent and objective viewpoints on the audit. An Audit Engagement Manager is assigned to assist the Audit Engagement Director to oversee the audit. He has many years of experience in audits of both multi-national corporations and listed companies in Singapore, and is well-equipped with the relevant skill-sets to help drive the audit.

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For the purpose of the consolidation of the financial statements of the Group, Nexia TS will also conduct an audit on the consolidated financial statements of the Company and the financial statements of the Company's newly-incorporated subsidiaries and entities in Taiwan, Hong Kong and the PRC for the Proposed Acquisition in accordance with the Singapore Standards of Auditing. The aforementioned subsidiaries and entities in Taiwan, Hong Kong and the PRC will be audited by suitable auditing firms to be appointed for local statutory purposes.

6.3 Opinion of the Audit Committee

The Audit Committee has reviewed and deliberated, and after taking into consideration the suitability of Nexia TS and compliance with the Catalist Rules, has recommended the Proposed Change of Auditors.

6.4 Compliance with Rule 712 of the Catalist Rules and Opinion of the Directors

Nexia TS is registered with the ACRA. The Directors have taken into account the Audit Committee's recommendation and considered factors such as the fee structure, the size and complexity of the Group, the adequacy of the resources of Nexia TS, the experience of Nexia TS and the audit engagement director, the other audit engagements of Nexia TS, and the number and experience of supervisory and professional staff to be assigned to the audit, and is of the opinion that Nexia TS will be able to meet the audit requirements of the Group and that Rule 712 of the Catalist Rules has been complied with. Accordingly, the Directors have recommended the Proposed Change of Auditors.

6.5 Compliance with Rule 715 of the Catalist Rules

Following Shareholders' approval of the Proposed Change of Auditors, Nexia TS will become the auditors of the Company and its Singapore-incorporated subsidiary, Albedo Corporation Pte. Ltd. in place of Foo Kon Tan.

For the purpose of the consolidation of the financial statements of the Group, Nexia TS will also conduct an audit on the consolidated financial statements of the Company and the financial statements of the Company's newly-incorporated subsidiaries and entities in Taiwan, Hong Kong and the PRC for the Proposed Acquisition in accordance with the Singapore Standards of Auditing. The aforementioned subsidiaries and entities in Taiwan, Hong Kong and the PRC will be audited by suitable auditing firms to be appointed for local statutory purposes.

The Company's wholly-owned Malaysia-incorporated subsidiary, Albedo Sdn. Bhd., will continue to be audited by Ng & Partners, Chartered Accountants, Malaysia.

Accordingly, Rule 715 of the Catalist Rules will be complied with.

6.6 Compliance with Rule 712(3) of the Catalist Rules

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (a) Foo Kon Tan had confirmed by way of their letter dated 9 October 2015 that it is not aware of any professional reasons why Nexia TS should not accept appointment as auditors of the Company;
- (b) the Company confirms that there were no disagreements with Foo Kon Tan on accounting treatments within the last 12 months up to the date of the Circular;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the shareholders of the Company which has not been disclosed in the Circular;
- (d) the reasons for the Proposed Change of Auditors is disclosed in Section 6.1 of the Circular; and
- (e) the Company confirms that it complies with Rule 712 and Rule 715 of Catalist Rules in relation to the appointment of Nexia TS as its new auditors.

LETTER TO SHAREHOLDERS

7. DETAILS OF THE PROPOSED NEW SHARE ISSUE MANDATE

7.1 The Proposed New Share Issue Mandate

The Company will be seeking Shareholders' approval at the EGM pursuant to Section 161 of the Act and Rule 806(2)(b) of the Catalist Rules for the Proposed New Share Issue Mandate to be given to the Directors to issue new Shares and convertible securities of the Company of up to 100% of the Company's issued share capital as at the date of the EGM (excluding treasury shares) with an aggregate sub-limit of 100% of the Company's issued share capital as at the date of the EGM (excluding treasury shares) for any issue of new Shares and convertible securities of the Company, not made on a pro-rata basis to Shareholders.

The Proposed New Share Issue Mandate, if approved by Shareholders at the EGM, will be in addition to the 2015 AGM Share Issue Mandate, and shall take force and effect from the date of the EGM. For the avoidance of doubt, in the event that Shareholders do not approve the Proposed New Share Issue Mandate at the EGM, the 2015 AGM Share Issue Mandate shall continue to remain in force until the 2015 AGM Share Issue Mandate is fully utilised or until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the law to be held, whichever is the earlier.

The Directors wish to highlight that in the case where the issue of new Shares under the Proposed New Share Issue Mandate leads to an obligation by any single party or concert party group to make an offer for the Company's Shares, the provision of the Singapore Code on Take-overs and Mergers shall apply.

7.2 Rationale of the Proposed New Share Issue Mandate

The amount of shares that could be issued that is not made on a pro-rata basis based on the 2015 AGM Share Issue Mandate is 945,528,357. On 2 July 2015, the Company utilised the 2015 AGM Share Issue Mandate for placement of up to 840,000,000 non-listed, non-transferable warrants to four (4) individual subscribers. As such, the total utilisation of the 2015 AGM Share Issue Mandate not made on a pro-rata basis to Shareholders is approximately 89% as at the Latest Practicable Date.

In light of the Proposed Diversification, the Directors are of the opinion that the Proposed New Share Issue Mandate will enable the Company to respond faster to business opportunities (including those relating to the Proposed New Business) and to have greater flexibility and scope in negotiating with third parties in potential fund raising exercises or other arrangements or transactions involving the capital of the Company. In addition, when necessary, it also facilitates the development of the existing core business of the Group by providing additional working capital and/or reducing the Group's bank borrowings.

The Company may contemplate additional fund raising exercises via the placement of shares as and when the opportunity arises. In accordance with Rule 811 of the Catalist Rules, the Company will issue shares at a discount of not more than ten per cent (10%) to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If trading in the Company's Shares is not available for a full market day, the weighted average price will be based on the trades done on the preceding market day up to the time the placement or subscription agreement is signed.

In addition, the Company will not issue shares pursuant to the Proposed New Share Issue Mandate at a price lower than S\$0.01 per Share, which is at a 11.1% premium to the closing share price of S\$0.009 as at the Latest Practicable Date.

The Company will also not issue shares pursuant to the Proposed New Share Issue Mandate to any person who is a director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Catalist Rules, save for exceptions under Rule 812(3) of the Catalist Rules. In addition, the Company will not issue shares pursuant to the Proposed New Share Issue Mandate without the prior approval of Shareholders in a general meeting if such issuance would bring about a transfer of controlling interest.

LETTER TO SHAREHOLDERS

7.3 Validity Period of the Proposed New Share Issue Mandate

The Proposed New Share Issue Mandate will be tabled for Shareholders' approval as a special resolution at the EGM. Subject as aforesaid, the Proposed New Share Issue Mandate will take effect from the passing of said resolution and unless revoked or varied by the Company in general meeting, shall continue in force until the earlier of:

- (i) the conclusion of the next general meeting of the Company;
- (ii) the date by which the Proposed New Share Issue Mandate is carried out to the full extent mandated; or
- (iii) the date by which the next annual general meeting of the Company is required by law to be held.

8. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and substantial shareholders in the Company based on the Register of Directors' Shareholdings and the Register of substantial shareholders as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest		Aggregate Interest	
	No. of Shares	% ¹	No. of Shares	%	No. of Shares	% ¹
Directors						
Tai Kok Chuan ²	100,000,000	5.27	20,000,000	1.05	120,000,000	6.32
Wong Fook Choy Sunny ³	600,000	0.03	–	–	600,000	0.03
Hano Maeloa ⁴	–	–	–	–	–	–
Yeo Chin Tuan Daniel ⁵	–	–	–	–	–	–
Substantial Shareholder (other than directors)						
	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Based on 1,899,133,315 Shares as at the Latest Practicable Date;
- (2) Mr Tai Kok Chuan has 30,000,000 options issued under the Albedo's Employee Share Option Scheme;
- (3) Mr Wong Fook Choy Sunny has 600,000 warrants and 20,750,000 options issued under the Albedo's Employee Share Option Scheme;
- (4) Mr Hano Maeloa has 30,000,000 options issued under the Albedo's Employee Share Option Scheme; and
- (5) Mr Daniel Yeo Chin Tuan has 20,000,000 options issued under the Albedo's Employee Share Option Scheme.

Save as disclosed in this Circular and other than through their respective shareholdings in the Company, none of the Directors of the Company (other than in their capacity as Directors or Shareholders of the Company) has any interest, direct or indirect, in the Proposed Acquisition.

The effect of the Proposed Acquisition and the Proposed Share Placement on the shareholding structure of the Company are set out in Appendix E of this Circular.

Save for Mr Hano Maeloa's interest in the Proposed Share Placement as disclosed herein, none of the Directors (other than in his capacity as Director or Shareholder of the Company) nor (as far as the Directors are aware) substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition and the Proposed Share Placement.

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition and the Proposed Share Placement. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

LETTER TO SHAREHOLDERS

9. DIRECTORS' RECOMMENDATIONS

9.1 The Proposed Diversification

The Directors having considered, *inter alia*, the rationale for the Proposed Diversification, are of the opinion that the Proposed Diversification is in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 1 in relation to the Proposed Diversification.

9.2 The Proposed Acquisition

The Directors having considered, *inter alia*, the terms and rationale for the Proposed Acquisition, are of the opinion that the Proposed Acquisition is in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 2 in relation to the Proposed Acquisition.

9.3 The Proposed Share Placement

The Directors, save for Mr Hano Maeloa who is abstaining from making any recommendation in respect of the Proposed Share Placement, having considered, *inter alia*, the terms and rationale for the Proposed Share Placement and the opinion of the Audit Committee in relation thereto, are of the opinion that the Proposed Share Placement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Mr Hano Maeloa has abstained from making any recommendation in respect of the Proposed Share Placement as the Placee is an Associate of Mr Hano Maeloa.

Accordingly, the Directors (save for Mr Hano Maeloa) recommend that the Shareholders vote in favour of Ordinary Resolution 3 in relation to the Proposed Share Placement.

9.4 The Proposed Change of Auditors

The Directors having considered, *inter alia*, the rationale for the Proposed Change of Auditors and the recommendation of the Audit Committee, are of the opinion that the Proposed Change of Auditors is in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 4 in relation to the Proposed Change of Auditors.

9.5 The Proposed New Share Issue Mandate

The Directors having considered, *inter alia*, the rationale for the Proposed New Share Issue Mandate, are of the opinion that the Proposed New Share Issue Mandate is in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of Special Resolution 5 in relation to the Proposed New Share Issue Mandate.

9.6 Note to Shareholders

In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

Ordinary Resolution 2 in relation to the Proposed Acquisition is conditional upon the passing of Ordinary Resolution 1 in relation to the Proposed Diversification. Ordinary Resolution 3 in relation to the Proposed Share Placement is conditional upon the passing of Ordinary Resolution 2 in relation to the Proposed Acquisition.

For the avoidance of doubt, this means that if Ordinary Resolution 1 is not approved, Ordinary Resolutions 2 and 3 would not be carried, and if Ordinary Resolution 2 is not approved, Ordinary Resolution 3 would not be carried.

LETTER TO SHAREHOLDERS

10. ABSTENTION FROM VOTING

Rule 812(2) of the Catalist Rules provides that persons falling under Rule 812(1) of the Catalist Rules and their Associates must abstain from voting on any shareholders' resolutions approving the placement to themselves.

Rule 919 of the Catalist Rules provides that Interested Persons and their Associates must not vote on any shareholders' resolution nor accept appointments as proxies unless specific instructions as to voting are given, in respect of any resolutions approving specific IPTs involving themselves.

Accordingly, Mr Hano Maeloa will abstain, and will procure his Associates to abstain, from voting on Ordinary Resolution 3 in relation to the Proposed Share Placement.

Mr Hano Maeloa and his Associates will also decline to accept appointment as proxy to attend and vote at the EGM for other Shareholders in respect of the Ordinary Resolution 3 relating to the Proposed Share Placement unless the Shareholders concerned have given specific instructions as to the manner in which their votes are to be cast.

11. ADDITIONAL LISTING APPLICATION

The Company will be making an application through its Sponsor, PrimePartners Corporate Finance Pte. Ltd., to the SGX-ST for the listing of and quotation for the Consideration Shares and the Subscription Shares on the Catalist board of the SGX-ST.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 48 to 51 of this Circular, will be held on 6 November 2015 for the purpose of considering and if, thought fit, passing, with or without modifications, the Ordinary Resolutions and Special Resolution set out in the notice of EGM.

13. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the notice of EGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 1 Scotts Road, #20-03/04, Shaw Centre, Singapore 228208, not less than 48 hours before the time fixed for holding the EGM. The appointment of a proxy by a Shareholder does not preclude him/her from attending and voting in person at the EGM if he/she so wishes in place of the proxy.

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/her name appears on the Depository Register maintained by CDP at least 48 hours before the EGM.

14. 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 enquires, 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 this 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 this Circular in its proper form and context.

LETTER TO SHAREHOLDERS

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 1 Scotts Road, #20-03/04, Shaw Centre, Singapore 228208 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of the Company;
- (b) the annual report of the Company for FY2014;
- (c) the SPA and the supplemental agreement thereto;
- (d) the Valuation Report;
- (e) the deed of novation of the JVA;
- (f) the Shares Subscription Agreement;
- (g) the professional clearance letter issued by Foo Kon Tan LLP to Nexia TS Public Accounting Corporation dated 9 October 2015; and
- (h) the letter of consent to act as auditors of the Company dated 12 October 2015 from Nexia TS Public Accounting Corporation.

The documents set out in paragraphs 15(c), (d) and (e) will also be made available for inspection by Shareholders during normal business hours at the registered office of the Company for 3 months from the date of this Circular.

Yours faithfully

For and on behalf of
The Board of Directors
ALBEDO LIMITED

Tai Kok Chuan
Chief Executive Officer

15 OCTOBER 2015

APPENDIX A – PROFILE OF DATO DR. CHOO YEOW MING AND MS QIANG LIN MEI

Dato Dr. Choo Yeow Ming

Dato Dr. Choo Yeow Ming is currently the Executive Chairman of Asia-Pacific Strategic Investments Limited, a company listed on Catalist of the SGX-ST. He was formerly the Executive Chairman of Capital Strategic Investment Limited and Capital Estate Limited (both companies are public company listed on the Hong Kong Stock Exchange). He was a former partner of international law firms and is acknowledged to have wide business networks.

Ms Qiang Lin Mei

Ms Qiang Lin Mei graduated from Singapore Nanyang Technological University, School of Business EMBA in 2005. She is the founder, Chairman and CEO of the Shaanxi Jinyu enterprise group set up in 1994 and Euro-Asia Investment Advisory Co. Ltd set up in 2003. Ms Qiang's 20 years of hard work have won her wide social recognition and acclaim. She was honored with Award for driving the economic development in Shaanxi Province of China. The industries in which Ms Qiang is involved in include real estate, pharmaceutical and film production.

Note:

The above information was obtained from Dato Choo and Ms Qiang respectively.

APPENDIX B – STRUCTURE OF CHINA IMYTH

1. Background of China iMyth

China iMyth is a company incorporated in April 2015 in Singapore and is a joint venture between China Medial Investments Co Private Limited (the “**Vendor**”) holding 51% and Dr. Chung Yih-Chen (“**Dr Chung**”) holding the remaining 49%. China iMyth was formed to assume and continue operating the same medical practices, clinics and businesses of iMyth Aesthetic Medical Group.

2. Background of iMyth Aesthetic Medical Group (“iAMG”)

iMyth Aesthetic Medical Group, which was established since 2008, was formed by a group of physicians led by Dr Chung. The iAMG operations has two health and beauty clinics in Taoyuan and Chung Hsiao (collectively the “**Taiwan Clinics**” and each a “**Taiwan Clinic**”). iAMG also has partnerships and collaborations with various aesthetic clinics, hospitals and other wellness establishments in PRC. iAMG’s currently has 8 physicians (as set out in section 6 of Appendix B) and their practice consists mainly:

- a) **Non-surgical aesthetic treatments** – which comprise minimally invasive aesthetic treatments, including anti-ageing treatments, which can help an individual improve his/her appearance with minimal or no incisions; and phototherapy and/or laser treatments which offer solutions for facial fine lines and wrinkles, unwanted or excess hair, unwanted pigmentation and skin irregularities such as blemishes and acne scars.
- b) **Surgical aesthetic treatments** – which include double-eye lid surgery, rhinoplasty, breast augmentation, liposuction, facelifts, wrinkle removal and others. Such treatments typically involve local or full anesthesia, partial or full incisions and relatively longer recovery time compared to non-surgical aesthetic medical services.

Based on the unaudited management accounts provided by the previous management of iAMG, the revenues and operating profit generated by the iAMG practice were as follows:

	FY2014 (S\$)	FY2013 (S\$)
Revenue	6,352,614	3,675,795
Operating Profit	3,084,206	1,036,005

For FY2014 and FY2013, based on information provided by the previous management of iAMG, the revenue breakdown in relation to the services / treatments performed and the average charge per treatment were as follows:

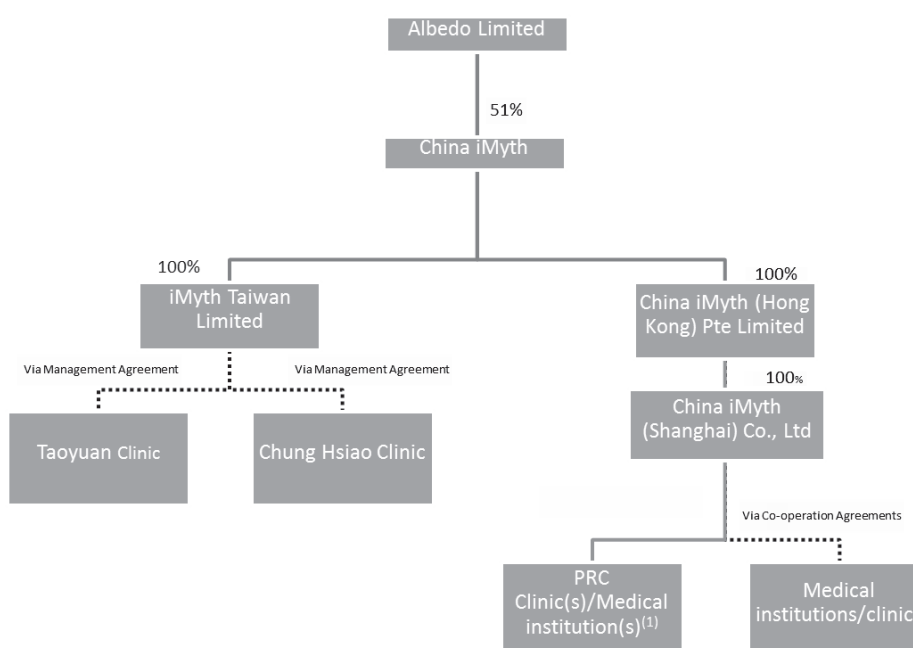
	Revenue Breakdown (%)		Average Charge Per Treatment (S\$)	
	FY2014	FY2013	FY2014	FY2013
Plastic surgery	5	5	8,740	4,370
Micro plastic surgery	24	27	1,748	1,311
Phototherapy	31	40	874	437
Other treatments (weight loss and skin care)	8	10	874	437
Detoxification and anti-ageing treatment	21	10	656	437
Product sales	11	8	612	525

APPENDIX B – STRUCTURE OF CHINA iMYTH

Shareholders should note that the historical financial information and statistics of the iAMG set out above is purely for reference only and have not been audited nor verified. The Group is not acquiring iAMG but China iMyth, which is an entity recently formed to assume the same aesthetic medical practices of the iAMG. As such, the past performance of the iAMG should not be taken as an indication of the China iMyth Group's future performance. The details of the how China iMyth will assume and operate the former aesthetic medical practice of iAMG is set out below.

3. Assumption of the former iAMG Aesthetic Medical Practice by China iMyth

In view of legal and regulatory constraints in respect of the ownership structure of entities involved in medical practices in Taiwan and the PRC, the following structure will be used by China iMyth to assume the aesthetic medical practice of iAMG:



Notes:

(1) For the avoidance of doubt, iMyth Shanghai currently does not own any clinics or medical institutions but the Group envisages acquiring or setting up new clinic(s) and/or medical institutions in the PRC as part of its future expansion plans.

Due to the different regulatory requirements and practice in Taiwan and PRC, one Taiwan incorporated entity, namely iMyth Taiwan Limited (“**iMyth Taiwan**”) will assume the aesthetic medical practice of iAMG in Taiwan and a different PRC incorporated entity, namely China iMyth (Shanghai) Co., Ltd will be used to assume the aesthetic medical practice of iAMG in PRC (“**iMyth Shanghai**”). iMyth Shanghai will be held by China iMyth (Hong Kong) Pte Limited, a wholly-owned subsidiary incorporated in Hong Kong.

iMyth Taiwan and iMyth Shanghai will assume and hold all of the key medical assets of IAMG comprising mainly the medical facility equipment and other fixed assets amounting to S\$500,000 as at the Latest Practicable Date.

APPENDIX B – STRUCTURE OF CHINA IMYTH

4. Operation of the former iAMG Aesthetic Medical Practice by China iMyth

Taiwan

Due to regulations in Taiwan which restrict foreign ownership of medical care institutions and mandate that medical care institutions (including aesthetic medical clinics like the Taiwan Clinics) must be established by a physician (in a form of a sole proprietorship) or physicians (in a form of a partnership), iMyth Taiwan will enter into a management agreement with each of the registered responsible physicians trading as the respective Taiwan Clinics (the “**Management Agreement**”).

Pursuant to the Management Agreements, the iMyth Taiwan will provide the Taiwan Clinics with services that are required for the day-to-day operations of the clinics (including but not limited to the provision of office premise, facilities, equipment, medical and pharmaceutical materials, accounting and human resource administration services, intellectual property rights (if any), license of the China iMyth Group brand name and marketing services, while each Taiwan Clinic will be responsible for the provision of outpatient aesthetic medical services. In addition, iMyth Taiwan will also invest in the infrastructure required for the operation of the Taiwan Clinics.

Revenue for iMyth Taiwan will be derived through the collection of monthly service fees which is equivalent to the Taiwan Clinics’ monthly income after deducting physicians’ fees and the operating expenses of the Taiwan Clinics. These operating expenses include but are not limited to the salaries and bonuses of the medical and non-medical staff, pension contribution, insurance fee, rental fee, physicians’ registration fees, utilities fee, maintenance fee, cost of equipment and pharmaceutical materials and business tax.

Under the Management Agreements, upon the instructions of iMyth Taiwan, the Taiwan Clinics will have to make a claim, file a lawsuit or take such action as may be required by iMyth Taiwan against the medical staff (which includes the physicians and nurses) employed by the Taiwan Clinics or authorize iMyth Taiwan to do so. In the event the Taiwan Clinics succeed in a claim against the medical staff for breach by such staff of his/her employment agreement, the Taiwan Clinics have to pay over all amounts payable thereunder to iMyth Taiwan. Further, the Taiwan Clinics will compensate iMyth Taiwan for any loss of profits arising out of the performance of or failure in performance of the medical staff’s obligations under his/her employment agreement with the Taiwan Clinics.

Separately, the Taiwan Clinics will have an agreement with each of the physicians employed by the Taiwan Clinics for the provision of outpatient medical services (“**Physician Agreement**”). Pursuant to the Physician Agreement the physicians will be responsible for consultations with clients and performing the aesthetic treatments/surgeries. Their employment periods will be approximately three (3) years and they are bound by non-solicitation restrictions for a period of two (2) years following termination of the agreement and a minimum notice period of six (6) months if they wish to terminate the agreement prior to expiration. The Physician Agreements do not restrict the physicians from working in other clinics during their employment periods.

iMyth Taiwan has or will also enter into assignment and assumption agreements with marketing agents and the relevant entities from iAMG to assign and transfer to iMyth Taiwan any and all of iAMG’s rights and obligations under co-operation agreements previously executed (“**Assignment Agreements**”). Pursuant to the Assignment Agreements, the marketing agents agree to the assignment of the co-operation agreements and will provide marketing services to iMyth Taiwan.

APPENDIX B – STRUCTURE OF CHINA IMYTH

PRC

Previously, iAMG had co-operation agreements with various aesthetic clinics, hospitals, other wellness establishments and marketing agents (the “**Co-operation Agreements**”), whereby such counterparties will provide marketing services and also their premises for consultation and aesthetic medical services to be provided by iAMG’s physicians.

Moving forward, iMyth Shanghai will evaluate and, if appropriate, enter into novation agreements with such counterparties and the relevant entities from iAMG to assign and transfer any and all of iAMG’s rights and obligations under the Co-operation Agreements to iMyth Shanghai. Alternatively, iMyth Shanghai will enter into new agreements with each counterparty for the former iAMG physicians engaged by iMyth Shanghai to provide consultation and aesthetic medical services in the PRC. Under the Co-operation Agreements, the counterparties will provide iMyth Shanghai with, *inter alia*, training and consultancy services relating to aesthetic medicines technologies or marketing training and services for the promotion of the aesthetic medical services of iMyth Shanghai. In consideration of the counterparties providing the aforementioned aesthetic medical or marketing services, iMyth Shanghai shall pay a percentage of the revenue from the provision of such services to the counterparties.

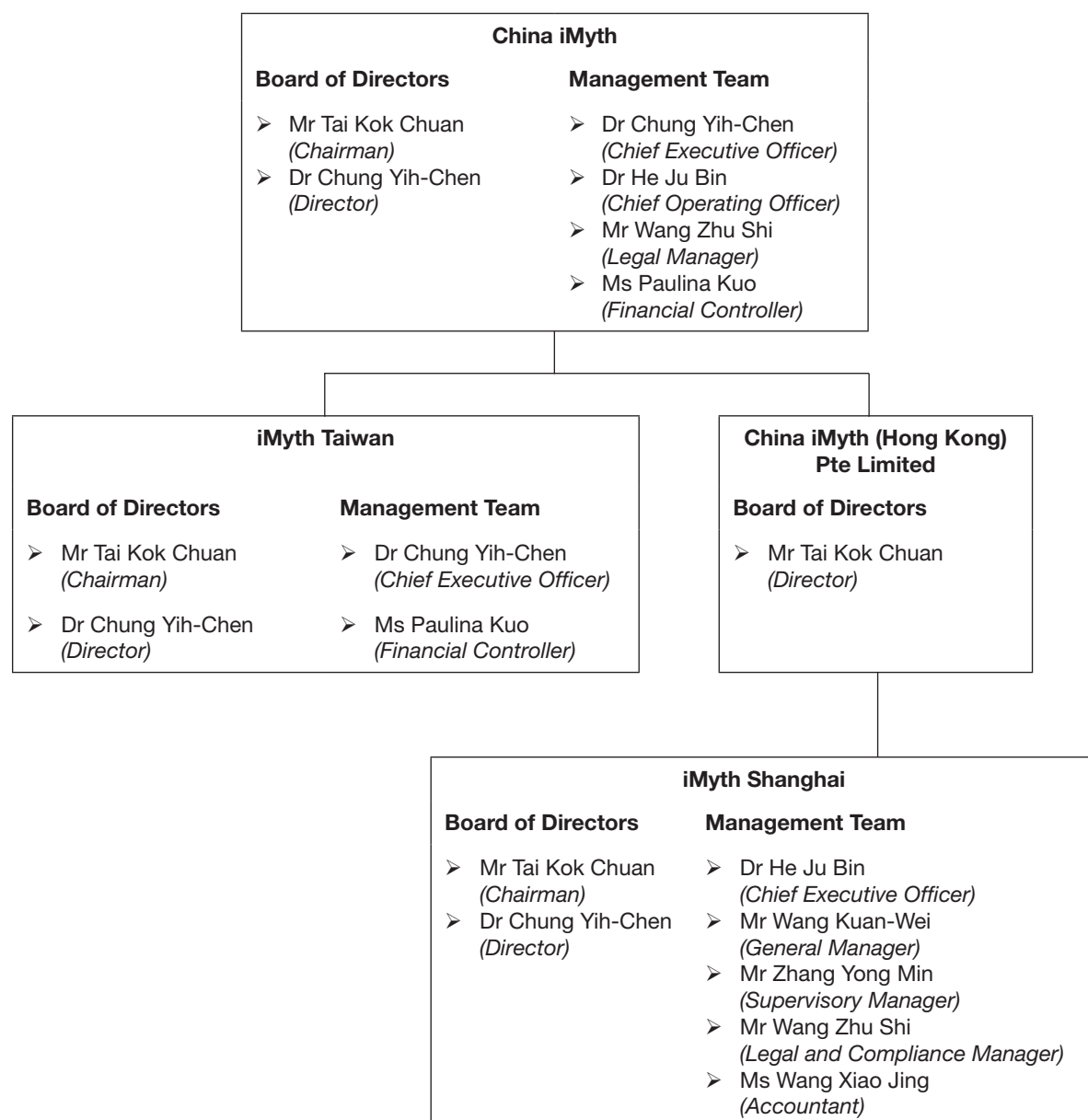
Separately, certain iAMG physicians will enter into a consultancy agreement with iMyth Shanghai (the “**Consultancy Agreement**”) which sets out their appointment terms, responsibility and scope of work for the provision of consultation and aesthetic medical services to the respective cooperation counterparties. Pursuant to the Consultancy Agreement, the iAMG physician will provide to iMyth Shanghai medical advisory and consultancy services in relation to marketing, managing, operating and implementing the medical consultancy business in PRC. The engagement period will be up to three (3) years and thereafter iMyth Shanghai has the right to renew for up to an additional year upon notice in writing to the iAMG physician prior to the expiry of the Consultancy Agreement. Other than Dr Chung Yih-Chen, the Consultancy Agreements do not restrict the physicians from working in other clinics during the term of their appointment. The physician’s remuneration is based on a percentage of the patient’s payments in respect of procedures which that physician performed. Dr Chung Yih-Chen entered into an exclusive Consultancy Agreement with iMyth Shanghai pursuant to which he shall not provide similar consultancy or other advisory services to institutions in the PRC that are engaged in a business that is the same, similar or complementary to that of iMyth Shanghai.

The Company will also consider setting up its own PRC clinic(s) and/or medical institution(s) in the future to provide aesthetic medical services in its own premises so as to better tap into the vast PRC market. In this respect, iMyth Shanghai has entered into a shareholders’ agreement with QingDao HaiFan Cosmetics Co., Ltd (青岛海帆化妆品有限公司) (“**QingDao**”) (the “**Shareholders’ Agreement**”) for the purposes of establishing a joint venture company (“**PRC JV**”) to provide, *inter alia*, healthcare related consultation, medical research and development, management and import and export of medical apparatus in PRC. Under the Shareholders’ Agreement, iMyth Shanghai will have 51% shareholding in the PRC JV while QingDao will have 49% shareholding in the PRC JV. Further, iMyth Shanghai will be required to contribute RMB 5,100,000 to the capital of the PRC JV while QingDao will be required to contribute RMB 4,900,000 to the PRC JV. iMyth Shanghai will be responsible for, *inter alia*, the provision of consultants and physicians to provide the aesthetic medical services while QingDao will be responsible for, *inter alia*, the provision of marketing services, the procurement of the rental of premises for the intended clinic and obtaining the requisite licences for the operation of the clinic.

APPENDIX B – STRUCTURE OF CHINA IMYTH

5. Management of the former iAMG Aesthetic Medical Practice by China iMyth

After the Completion of the Proposed Acquisition, the management structure of China iMyth will be as follows:



APPENDIX B – STRUCTURE OF CHINA IMYTH

6. List of Physicians

S/N	Name	Experience
1	钟易成 Chung Yih-Chen ⁽¹⁾⁽²⁾	Dr Chung graduated from the School of Medicine of Kaohsiung Medical University with general medicine license and has 25 years of clinical experience. He currently specialises in the area of autologous fat transplantation, beauty and augmentation of breast, liposuction, body sculpting, weight loss and cosmetic laser.
2	徐瑞宏 Hsu Jui-Hung ⁽¹⁾	Dr Hsu graduated from the School of Medicine of Kaohsiung Medical University and has 10 years of clinical experience in cosmetic surgery. He currently specialises in the area of micro-plastic face carved planning and micro-invasive face lift surgery.
3	胡岱霖 Hu Tai-Lin ⁽¹⁾⁽²⁾	Dr Hu graduated from the School of Medicine of National Taiwan University with physician certificate. He had specialised training of general surgery and plastic surgery in Chang Gung Memorial Hospital. He was awarded as Chief Resident of Department of Surgery by Chang Gung Memorial Hospital, Linkou in June and November 2015. He won the first place in plastic surgeon board examination in year 2007. Dr Hu has more than 10 years of clinical experience. He currently specializes in the area of autologous fat transplantation, breast augmentation, micro-surgery, liposuction, body sculpting, lower eyelid blepharoplasty and cosmetic laser.
4	蔡丰任 Tsai Feng-Jen ⁽¹⁾⁽²⁾	Dr Tsai graduated from the School of Medicine of Kaohsiung Medical University with Physician certificate and has 13 years of clinical experience. He currently specialises in the area of aesthetic medicine, anti-aging and cosmetic laser.
5	熊寿光 Hsiung Shou-Kuang ⁽¹⁾⁽²⁾	Dr Hsiung graduated from the School of Medicine of The National Defense Medical Center with Physician certificate and has 30 years of clinical experience. He currently specialises in the area of depilation, face sculpting, anti-aging, and cosmetic laser.
6	蔡宙晃 Tsai Chou-Huang ⁽¹⁾⁽²⁾	Dr Tsai graduated from the School of Medicine of China Medical University. He is a surgical specialist and has 30 years of clinical experience. He currently specialises in the area of aesthetics medicine including laser and micro-invasive procedures.
7	王则人 Wang Tse-Jen ⁽¹⁾⁽²⁾	Dr Wang graduated from the University of California at Berkeley and School of Medicine at Taipei Medical University with a Medical Doctor's degree. Currently he is a Ph.D. candidate of the Department of Biomedical Engineering and Environmental Sciences at National Tsing Hua University. Dr Wang has more than 10 years of clinical experience. He currently specialises in the area of aesthetic medicine, micro-surgery, liposuction, body sculpting and cosmetic laser.
8	连证鸿 Lien Cheng-Hong ⁽¹⁾⁽²⁾	Dr Lien graduated from the School of Medicine of National Taiwan University with Physician certificate and gynecologist certificate and has 25 years of clinical experience. He currently specialises in the area of micro-surgery and cosmetic laser.

Notes:

(1) represents that such physician had entered into a Physician Agreement with the Taiwan Clinics.

(2) represents that such physician had entered into a Consultancy Agreement with iMyth Shanghai.

APPENDIX C – INDEPENDENT VALUATION REPORT



VALUATION & ADVISORY

8 October 2015

Hong Kong:
AVA Associates Limited
806 Empress Plaza
17-19 Chatham Road South
Tsim Sha Tsui, Hong Kong

Singapore:
Asia Valuation & Advisory Services Pte Ltd
138 Cecil Street
#08-03 Cecil Court
Singapore 069538

To
Board of Directors
Albedo Limited
8 Boon Lay way #09-11
Singapore 609964

Dear Sirs,

Pursuant to your instructions, AVA Associates Limited (“AVA”) has performed an analysis to value the 100% equity interest in the business of Shen Wang Biomedical Technology Co., Ltd (the “Business”) as it will be injected into China iMyth Company Pte Ltd (“China iMyth” or the “Target Company”). The valuation date is as at 30 June 2015 (“Valuation Date”). The purpose of this engagement is to assist Albedo Limited (“Albedo”) for internal reference and inclusion into a shareholder’s circular in relation to a proposed transaction involving the Target Company. No other use of our valuation report is intended or should be inferred.

Definition of Value

In estimating the value of the Business, our efforts were based on the following premise of value:

Market Value - “the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Such value represents an estimate based on the economic theory of equilibrium price for an asset in a perfect market. Unless otherwise noted, in estimating the market value, we have assumed that the business and its assets will remain a going concern in accordance with the relevant literature.

APPENDIX C – INDEPENDENT VALUATION REPORT

It is further defined as the value of an asset based on continuation of its existing use, assuming the asset could be sold in the open market for its existing use, and otherwise in keeping with the market value definition regardless of whether or not the existing use represent the highest and best use of the asset.

The value of an asset is only an indicative quantum at which interests in it might be reasonably be expected to be sold at the valuation date, and may be different from the actual transacted price.

Scope of Work

On 11 June 2015, Albedo entered into a conditional sale and purchase agreement with China Medical Investments Co Pte Ltd (the “Vendor”) to acquire 51.0% of the issued and paid-up share capital of China iMyth for a consideration of S\$18.875 million. The Target Company, incorporated in Singapore in April 2015, is to own the Business, as operated in Taiwan and China under Shen Wang Biomedical Technology Co., Ltd. (“Shen Wang Biomedical”).

Following our discussions with Albedo, AVA has been engaged to estimate the value of the Target Company, on the assumption that it owns the Business as a going concern. This Market Value is to be based on a set of financial projections as prepared by and built on the perspective and operational objectives of the management of the Business, adjusted for reasonableness and robustness as concluded by AVA.

For the purpose of this valuation, the Business is assumed to be the operation of the same medical practices, clinics and businesses of the previous iMyth Aesthetic Medical Group under the leadership of Dr. Chung Yih-Chen. As the Business has not been injected into the Target Company as at Valuation Date, and upon instruction by Albedo, we have to assume that the Business will compose only of intangible assets, existing equipment/furniture/fittings and personnel. Other assets and liabilities of Shen Wang Biomedical are excluded from our analysis of the Business.

Our valuation and report is prepared in accordance with the International Valuation Standards (2011 edition) as published by the International Valuation Standard Committee. The procedures used in our analysis included such substantive steps, as we considered necessary, including, but not necessarily limited to, the following:

- Discussions with appropriate individuals concerning operational and financial aspects of the Business;
- Development of valuation model to estimate the Market Value, including gathering market and industry information in support of various assumptions;
- Discussions with management to understand in more detail the current status and proposed business of the Business, including its tangible and intangible characteristics; and
- Gain a more thorough understanding of the proposed nature and operations of the Business, including estimated trends, services, and markets;
- Review of historical and projected financial information for the Business;
- Analysis of conditions in, and the economic outlook for, the medical aesthetics, beauty and wellness services market; and;
- Valuation of the economic interest in the Business and the Target Company.

APPENDIX C – INDEPENDENT VALUATION REPORT

Sources of Information

As part of our due diligence, we relied upon documents supplied by the management of the Business and Albedo, including, but not limited to, the following:

- Unaudited management accounts of Shen Wang Biomedical, for the financial years ending 31 December 2012, 31 December 2013 and 31 December 2014;
- Financial forecast of the Business for the period from 2015 to 2019;
- Operational data of Shen Wang Biomedical for 2013 and 2014; and
- Other relevant documentations.

We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject asset. In the course of our valuation, we held discussions with the management concerning the history and current conditions of the Business, financial and general outlook of the business. We assumed that the data we obtained in the course of the valuation, along with the opinions and representations provided to us by the companies are true and accurate. We also used financial and other information obtained from private and public sources we considered reliable. Our conclusions are dependent on such information being complete and accurate in all material respects. We believe the valuation procedures we employed provide a reasonable basis for our opinion.

The salient figures below are compiled from the management accounts, representing the financial performance of the Business in Taiwan and China, for 2013 and 2014.

<i>figures in SGD</i>	2013	2014
Revenue	3,675,795	6,352,614
Expenditures	(2,639,790)	(3,268,408)
Operating Profit	1,036,005	3,084,206

Note: Based on exchange rates of 23.657 TWD/SGD and 23.987 TWD/SGD in 2013 and 2014 respectively.

We relied on the accuracy and completeness of the management accounts to perform our analysis of the business operating metrics and derivation of its equity value. In view thereof, we deemed the management accounts provided to us as reasonable.

APPENDIX C – INDEPENDENT VALUATION REPORT

Valuation Theory

It is important to note that market value is based on the economic theory of equilibrium price in a perfect market. It may not be equal to the price transacted for an asset or indicative of the price to be transacted for the asset. Such value estimate is based on the assumption that a perfectly competitive market exists where no participant has any influence on the price of the asset it buys or sells. It is simply a point where market demand is equal to market supply, thus ensuring that the asset owner will receive only normal profit in the long run.

Our approach in valuing the identified asset relies on using the appropriate techniques to arrive at our conclusion of value. We considered the three generally recognized approaches to value: the income, market and cost approaches.

An overview of the three approaches considered is as follows:

- The *Income Approach* focuses on the income-producing capability of a business or asset. The income approach measures the current value of a business or asset by calculating the present value of its future economic benefits such as cash earnings, cost savings, tax deductions, and proceeds from disposition. Value indications are developed by discounting expected cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The discount rate selected is generally based on rates of return available from alternative investments of similar type and quality as of the valuation date.
- The *Market Approach* measures the value of a business or asset through an analysis of recent sales or offerings of comparable businesses or assets. In estimating the value of a business under the market approach there are two methodologies: the publicly-traded guideline company methodology and the recent transaction methodology. The publicly traded guideline company methodology develops an indication of value for the subject company by calculating market pricing multiples for selected publicly-traded guideline companies and applying these multiples to the appropriate financial measures of the subject company. The recent transaction methodology develops an indication of value for the subject company by calculating market pricing multiples based on actual acquisitions of similar businesses and applying these multiples to the appropriate financial measures of the subject company. After deriving a value, adjustments are then made to account for differences between the subject business or asset being valued and the comparable businesses or assets used in the analysis.
- The *Cost Approach* measures the value of a business or asset by the cost to reconstruct or replace it with another of like utility. To the extent that the assets being valued provide less utility than new assets, the reproduction or replacement cost new would be adjusted to reflect appropriate physical deterioration, functional obsolescence, and economic obsolescence. The cost approach recognizes that a prudent investor would not ordinarily pay more for property or an asset than the cost to replace them new.

APPENDIX C – INDEPENDENT VALUATION REPORT

Selected Valuation Approach

We calculated the Market Value of a 100% equity interest in the Target Company by estimating the value of the Business through the income approach, employing a discounted cash flow (“DCF”) methodology.

The value of the 100% equity interest in the Business is derived based on the following formula:

$$\text{Market Value} = \text{Equity Value} + \text{Excess Cash}$$

This simplified formula assumes the Business will be operated debt-free and cash holdings as at Valuation Date are treated as excess cash.

Our basis for selecting the income approach was due to the availability of relevant data, specifically the development plans and financial projections provided by the company. We chose the DCF methodology as it enables us to view the entire portfolio of assets as an operating entity, with the principal focus of the analysis on the operating entity’s ability to generate free cash flow in the future, based on assumptions provided by the company. Free cash flow to equity holders (“FCFE”) is defined as cash that is available either to invest in new or existing businesses or to distribute to investors (equity holders). Reasonable projections of revenues, expenses, and reinvestment requirements (i.e. working capital and capital expenditures) form the basis for estimating the future free cash flows that a company will likely generate from its existing business.

The FCFE for each year of the projection period was calculated by adding non-cash expenses, such as depreciation and amortization, deferred rent, and stock option expense, to and deducting incremental investments in working capital, and capital expenditures from the net profit. The projected free cash flows in each period were discounted to present value at an appropriate rate of return, or “discount rate.” The sum of the discounted stream of future free cash flow, together with the value of non-operating assets, if any, reflects the value of the subject enterprise or portfolio of assets.

The above approach allowed us to estimate the Market Value of the 100% equity interest in the Business under a set of reasonable and robust assumptions.

The market approach was not deemed appropriate due to the lack of comparable market transactions and prices. We performed a similar transaction search and found no similar disclosed recent transactions. The cost approach was also deemed inappropriate, as one of the significant assets of this business is the company’s assembled workforce and its collective network, and these would not be properly reflected using a cost approach methodology.

APPENDIX C – INDEPENDENT VALUATION REPORT

Conclusion of Value

Based on the information provided and analysis conducted, and subject to the attached Statement of General Assumptions and Limiting Conditions, the Market Value, as at Valuation Date, of the 100% equity interest in China iMyth, on the assumption that it owns the Business, is SGD37,023,000.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on our use of numerous assumptions and our consideration of various factors that are relevant to the operation of the Business. We have also considered various risks and uncertainties that have potential impact on the Business.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuations of prudent management of over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

Respectfully submitted,

AVA Associates Limited

A handwritten signature in black ink that reads "AVA Associates". The letters are cursive and somewhat stylized, with the 'A's being particularly prominent.

APPENDIX C – INDEPENDENT VALUATION REPORT

Statement of General Assumption and Limiting Conditions

This analysis is subject to the following general assumptions and limiting conditions:

1. No investigation has been made of, and no responsibility is assumed for, the legal description of the property being valued or legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is assumed to be free and clear of any liens, easements, encroachments, and other encumbrances unless otherwise stated.
2. Information furnished by others, upon which all or portions of this valuation is based, is believed to be reliable but has not been verified except as set forth in this report. No warranty is given as to the accuracy of such information.
3. This report has been made only for the purpose stated and shall not be used for any other purpose.
4. Neither AVA nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony or appear in court or other legal proceedings unless specific arrangements therefore have been made.
5. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions, which occur subsequent to the valuation date hereof.
6. The date of value to which the estimate expressed in this report applies is set forth in the beginning of this report. This valuation is valid only for the valuation date indicated. Our analysis is based on the purchasing power of the New Taiwan Dollar and Singapore Dollar as of that date.
7. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government, or private entity or organization have been or can readily be obtained or renewed for any use on which the value estimate provided in this report is based.
8. Responsible ownership and competent management are assumed.

APPENDIX D – LETTER OF RESIGNATION FROM FOO KON TAN



Foo Kon Tan LLP • 47 Hill Street, #05-01 SCCC Building • Singapore 179365
T +65 6336 3355 F +65 6337 2197 E fkt@fookontan.com www.fookontan.com

Our ref: A534/TKT/11

8 October 2015

The Board of Directors
Albedo Limited
Albedo Corporation Pte. Ltd.
8 Boon Lay Way #09-11
Singapore 609964

Dear Sirs

RESIGNATION AS AUDITORS

With reference to your letter and email stating your decision to terminate our firm as your auditors in view of annual audit fees and other due consideration, we hereby give formal notice of our intention to resign as auditors.

Please note that pursuant to Section 205AB(1) of the Companies Act, Cap. 50 (the “Act”) and Rule 712(3) of the Listing Manual (Rules of Catalist), our resignation is subject to the consent from the Accounting and Corporate Regulatory Authority (“ACRA”) for our resignation as auditors of the company and the approval of the shareholders at an extraordinary general meeting of the company.

We received ACRA’s consent to our resignation as auditors of Albedo Limited and its subsidiary, Albedo Corporation Pte. Ltd. effective 26 August 2015.

Please provide us with a copy of the minutes of the extraordinary general meeting of the Company appointing the successor auditors.

We thank you for your support in the past and look forward to be of service again in the future should that opportunity arise.

Yours faithfully

A handwritten signature in black ink that reads 'Foo Kon Tan LLP'.

Foo Kon Tan LLP

APPENDIX E – CHANGES TO SHAREHOLDINGS STRUCTURE

The interests of the directors and substantial shareholders before and after the Proposed Acquisition and the Proposed Share Placement are as follows:

	As at LPD and before the Proposed Acquisition and the Proposed Share Placement		After the Proposed Acquisition and the Proposed Share Placement based on the Enlarged Share Capital ⁽¹⁾	
	Number of Shares	Approximate Direct/Indirect Interest (%) ⁽²⁾	Number of Shares	Approximate Direct/Indirect Interest (%)
Name of Directors				
Wong Fook Choy Sunny	600,000	0.03	600,000	0.02
Tai Kok Chuan	120,000,000	6.32	120,000,000	4.53
Hano Maeloa ⁽³⁾	–	–	200,000,000	7.55
Yeo Chin Tuan Daniel	–	–	–	–
Vendor's Shareholder				
Dato Dr. Choo Yeow Ming ⁽⁴⁾	–	–	275,000,000	10.38
Qiang Lin Mei ⁽⁴⁾	–	–	275,000,000	10.38
Introducer				
Mdm Oei Siu Hoa @ Sukmawati Widjaja ⁽³⁾	–	–	200,000,000	7.55
Other public shareholders	1,778,533,315	93.65	1,778,533,315	67.14
Total Share Capital	1,899,133,315	100.0	2,649,133,315	100.0

Notes:

- (1) "Enlarged Share Capital" shall mean the aggregate of the share capital of the Company, the Subscription Shares and the Consideration Shares, being 2,649,133,315 Shares and assuming that none of the outstanding convertible securities of the Company (including options and warrants) that are subsisting or that are proposed as at LPD are exercised or converted.
- (2) Based on the existing Share Capital of the Company as at LPD comprising 1,899,133,315 Shares.
- (3) Mr Hano Maeloa and Mdm Oei Siu Hoa @ Sukmawati Widjaja are deemed to be interested in the shares held by each other as Mdm Oei Siu Hoa @ Sukmawati Widjaja is the mother of Mr Hano Maeloa.
- (4) Dato Dr. Choo Yeow Ming and Ms Qiang Lin Mei will be the beneficial owners of the Consideration Shares to be issued to them. They are not deemed to be interested in the shares held by each other.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ALBEDO LIMITED
(Company Registration Number 200505118M)
(Incorporated in the Republic of Singapore)

All capitalised terms used in this notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular dated 15 October 2015 to the shareholders of the Company (the “Circular”).

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Albedo Limited (the “**Company**”) will be held at The National University of Singapore Society, Kent Ridge Guild House, Evans Room, 9 Kent Ridge Drive, Singapore 119241 on 6 November 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolutions:

Shareholders should note that Ordinary Resolution 2 is conditional upon the passing of Ordinary Resolution 1 and Ordinary Resolution 3 is conditional upon the passing of Ordinary Resolution 2. For the avoidance of doubt, this means that if Ordinary Resolution 1 is not approved, Ordinary Resolutions 2 and 3 would not be carried, and if Ordinary Resolution 2 is not approved, Ordinary Resolution 3 would not be carried.

ORDINARY RESOLUTION 1

THE PROPOSED DIVERSIFICATION OF THE GROUP’S EXISTING CORE BUSINESS TO INCLUDE THE PROPOSED NEW BUSINESS

That:

- (a) approval be and is hereby granted for the Proposed Diversification of the Group’s Existing Core Business to include the Proposed New Business comprising medical aesthetics services including but not limited to detoxification, beauty and wellness services, stem cell storage, medical education and training and investments in and distribution of medical equipment and products in Asia as described in Section 2.2 of the Circular, and all other businesses and activities related to the Proposed New Business; and
- (b) the Directors and each of them be and are hereby authorised to complete and do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the matters contemplated by this resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

ORDINARY RESOLUTION 2

ACQUISITION OF 5,100 ORDINARY SHARES IN THE CAPITAL OF CHINA IMYTH COMPANY PTE. LTD., REPRESENTING 51.0% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF CHINA IMYTH COMPANY PTE. LTD. UNDER CHAPTER 10 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

That, subject to and contingent upon the passing of Ordinary Resolution 1 as set out in this notice of EGM, the acquisition by the Company of 5,100 ordinary shares in the capital of China iMyth Company Pte. Ltd., representing 51.0% of the issued and paid-up share capital of China iMyth Company Pte. Ltd., for an aggregate purchase consideration of S\$18,875,000 (the “**Proposed Acquisition**”) to be satisfied by the allotment and issuance of 550,000,000 Consideration Shares at an issue price of S\$0.0125 per Consideration Share and S\$12,000,000 in cash, pursuant to the terms and subject to the conditions of the SPA be and is hereby approved, and for this purpose:

- (a) approval be and is hereby given to the Company to undertake the Proposed Acquisition in accordance with the SPA; and
- (b) the Directors and each of them be and are hereby authorised to complete and do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the matters contemplated by this resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 3

THE PROPOSED ALLOTMENT AND ISSUANCE OF 200,000,000 SUBSCRIPTION SHARES TO MDM SUKMAWATI WIDJAJA

That subject to and contingent upon the passing of Ordinary Resolution 2 as set out in this notice of EGM:

- (a) approval be and is hereby granted for the proposed allotment and issuance of 200,000,000 Subscription Shares to Mdm Sukmawati Widjaja at the Subscription Price of S\$0.01125 per Subscription Share, on the terms and subject to the conditions of the Subscription Agreement, such issue of Subscription Shares being an issue of securities;
 - (i) to an associate of a Director under Rules 804 and 812(1) of the Catalist Rules; and
 - (ii) which constitutes an interested person transaction under Rule 906 of the Catalist Rules.
- (b) the Directors and each of them be and are hereby authorised to complete and do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the matters contemplated by this resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

Note: Mr Hano Maeloa will, and will procure his associates to, abstain from voting on this Ordinary Resolution 3 in respect of his/their shareholding, and will not accept nominations as proxies unless specific instructions have been given in the proxy instrument by the Shareholders appointing him/them on how they wish their votes to be cast.

ORDINARY RESOLUTION 4

PROPOSED CHANGE OF AUDITORS

That:

- (a) the resignation of Messrs Foo Kon Tan LLP as auditors of the Company be and is hereby accepted and that Messrs Nexia TS Public Accounting Corporation be and are hereby appointed auditors of the Company and to hold office until the conclusion of the next annual general meeting of the Company, at such remuneration and on such terms to be agreed between the Directors and Messrs Nexia TS Public Accounting Corporation; and
- (b) the Directors and each of them be and are hereby authorised to complete and do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the matters contemplated by this resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

Notes:

- (i) *Foo Kon Tan LLP has confirmed by way of their letter dated 9 October 2015 that it is not aware of any professional reasons why Nexia TS Public Accounting Corporation should not accept appointment as auditors of the Company.*
- (ii) *The Company confirms that there were no disagreements with Foo Kon Tan LLP on accounting treatments within the last 12 months up to the date of the Circular.*
- (iii) *The Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders which has not been disclosed in the Circular.*
- (iv) *The reasons for the Proposed Change of Auditors are disclosed in Section 6 of the Circular.*
- (v) *The Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of Nexia TS Public Accounting Corporation as the new auditors of the Company.*

NOTICE OF EXTRAORDINARY GENERAL MEETING

SPECIAL RESOLUTION 5

PROPOSED NEW SHARE ISSUE MANDATE

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”) the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution, whether on a pro rata or non pro rata basis, shall not exceed 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below)
- (2) (subject to such manner of calculation as may be prescribed by the Catalist Rules) for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by SGX-ST) and the Articles of Association of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Company or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

Note: For the avoidance of doubt, the Proposed New Share Issue Mandate, if approved by Shareholders, will be an addition to and will supplement the 2015 AGM Share Issue Mandate. Resolution 5 (Special Resolution), if passed, will empower the Directors from the date of the above EGM until the date of the next annual general meeting of the Company, to allot and issue Shares and/or convertible securities in the Company to existing Shareholders, whether on a pro-rata or non pro-rata basis, up to an amount not exceeding one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) as at the date of the EGM. This authority, unless previously revoked or varied at a general meeting, will expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier

BY ORDER OF THE BOARD

Tai Kok Chuan
Chief Executive Officer and Managing Director
Singapore
15 October 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- 1) A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf.
- 2) A Shareholder that is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
- 3) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Scotts Road, #20-03/04, Shaw Centre, Singapore 228208 not less than forty eight (48) hours before the time appointed for the meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company:

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

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ALBEDO LIMITED

Company Registration Number 200505118M
(Incorporated in the Republic of Singapore)

IMPORTANT:FOR CPF INVESTORS ONLY

- 1 For investors who have used their CPF monies to buy the Company's shares, this Circular is sent to them at the request of their CPF Approved Nominees 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.

PROXY FORM

(Please Read Notes Overleaf Before Completing This Proxy Form)

I/We _____ (Name)
of _____ (Address)

being a *member/members of **Albedo Limited** (the "**Company**") hereby appoint:

Name	Address	*NRIC/ Passport No.	Proportion of Shareholdings (%)

*and/or

Name	Address	*NRIC/ Passport No.	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Extraordinary General Meeting (the "**EGM**") of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf, and if necessary, to demand a poll at the EGM of the Company to be held at The National University of Singapore Society, Kent Ridge Guild House, Evans Room, 9 Kent Ridge Drive, Singapore 119241 on 6 November 2015 at 10.00am and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolution(s) and the Special Resolution to be proposed at the EGM as indicated hereunder with an "X" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

* Please delete as appropriate.

No.	As Ordinary Resolutions	For	Against
1	To approve the Proposed Diversification		
2	To approve the Proposed Acquisition		
3	To approve the Proposed Share Placement		
4	To approve the Proposed Change of Auditors		

No.	As Special Resolution	For	Against
5	To approve the Proposed New Share Issue Mandate		

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

Dated this ____ day of _____ 2015.

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

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

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Company's Circular to Shareholders dated 15 October 2015 (including supplements and modifications thereto).



Notes:

- 1 Please insert the total number of shares held by you. If you have 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. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- 2 A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- 3 The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Scotts Road, #20-03/04, Shaw Centre, Singapore 228208 not less than forty eight (48) hours before the time appointed for the EGM.
- 4 Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- 5 The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
- 6 Where an instrument appointing a proxy or proxies 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.
- 7 A corporation that 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.
- 8 The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
- 9 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 against his name in the Depository Register as at forty eight (48) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

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