

MIDDLE EAST DEVELOPMENT SINGAPORE LTD.

(Company Registration No. 196600189D)

(Incorporated in Singapore)

MEMORANDUM OF UNDERSTANDING FOR FORMING JOINT VENTURE COMPANY

The Board of Directors of Middle East Development Singapore Ltd. (the “**Company**”) wishes to announce that the Company had on 12 December 2007 entered into a non-legally binding Memorandum of Understanding for forming Joint Venture Company (“**MOU**”) with Beijing International Construction LLC (“**BJIC**”) to form a Joint Venture company (“**JV Company**”) in Singapore with the registered capital of Singapore Dollars One Million Only. BJIC is a subsidiary of Beijing Erjian Construction & Engineering Co., Ltd.

Under the MOU, the Company will hold 40% share equity and BJIC will hold the remaining 60% share equity of the JV Company. The JV Company will execute projects in the UAE, Qatar, other countries in Middle East and Africa, as well as China, Singapore and Vietnam.

The date for forming this JV Company shall be completed before 28 February 2008.

None of the Directors or controlling shareholders or substantial shareholders of the Company has any interest, directly or indirectly, in the above transaction.

By Order of the Board

Wong Seong Khuen

Managing Director