

Unaudited Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2017

Part 1 INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediate preceding financial year.

	1 Jan 17 to 31 Dec 17 S\$'000	1 Jan 16 to 31 Dec 16 S\$'000	Increase / (Decrease) %
Revenue	388	527	(26)
Cost of sales	(364)	-	nm
Gross profit	24	527	(95)
Other income	5	21	(76)
General and administrative expenses	(1,993)	(1,610)	24
Loss before tax	(1,964)	(1,062)	
Income tax credit	7	17	(59)
Loss for the year	(1,957)	(1,045)	
Other comprehensive income, net of tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation	(98)	37	
Total comprehensive income	(2,055)	(1,008)	
Loss for the year attributable to:			
Owners of the Company	(1,955)	(1,059)	
Non-controlling interests	(2)	14	
	(1,957)	(1,045)	
Total comprehensive income attributable to:			
Owners of the Company	(2,053)	(1,022)	
Non-controlling interests	(2)	14	
	(2,055)	(1,008)	

M DEVELOPMENT LTD
(Company Registration No. 200201764D)

(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 Dec 17 S\$'000	31 Dec 16 S\$'000	31 Dec 17 S\$'000	31 Dec 16 S\$'000
ASSETS				
Non-current assets				
Plant and equipment	-	1	-	1
Investments in subsidiaries	-	-	147	159
Total non-current assets	-	1	147	160
Current assets				
Trade receivable	370	-	-	-
Deposits	382	39	382	39
Prepayments	7	6	7	6
Cash and cash equivalents	6,742	9,781	5,801	8,381
Total current assets	7,501	9,826	6,190	8,426
Total assets	7,501	9,827	6,337	8,586
LIABILITIES				
Current liabilities				
Other payables and accruals	983	1,224	94	330
Income tax payable	-	30	-	30
Total current liabilities	983	1,254	94	360
Net current assets	6,518	8,572	6,096	8,066
EQUITY				
Share capital	46,226	46,226	46,226	46,226
Accumulated losses	(38,147)	(36,192)	(39,983)	(38,000)
Foreign currency translation reserve	21	119	-	-
	8,100	10,153	6,243	8,226
Non-controlling interests	(1,582)	(1,580)	-	-
	6,518	8,573	6,243	8,226
Total equity and liabilities	7,501	9,827	6,337	8,586

(b) (ii) Aggregate amount of group's borrowings and debt securities.

As at 31 December 2017 and 31 December 2016, the group have no borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 Dec 17		As at 31 Dec 16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 31 Dec 17		As at 31 Dec 16	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
Nil	Nil	Nil	Nil

Details of any collateral

As at 31 December 2017, the Group have no loans payable.

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(c) A statement of cash flows (for the group), with a comparative statement for the corresponding period of the immediately preceding financial year.

	1 Jan 17 to 31 Dec 17 S\$'000	1 Jan 16 to 31 Dec 16 S\$'000
Operating activities		
Loss before tax	(1,964)	(1,062)
<u>Adjustments for:</u>		
Depreciation of plant and equipment	1	2
Interest income	(6)	(527)
Total adjustments	(5)	(525)
Operating cash flows before changes in working capital	(1,969)	(1,587)
<u>Changes in working capital</u>		
Increase in trade receivable	(370)	-
(Increase)/decrease in deposits	(343)	163
Increase in prepayments	(1)	(6)
Decrease in trade payables	-	(334)
(Decrease)/increase in other payables and accruals	(241)	237
Cash flows used in from operations	(2,924)	(1,527)
Interest received	6	527
Tax (paid)/refund	(23)	10
Net cash flows used in operating activities	(2,941)	(990)
Investing activities		
Purchase of plant and equipment	-	(1)
Receipt of loan receivable's principal amount	-	7,000
Net cash flows generated from investing activities	-	6,999
Net (decrease)/increase in cash and cash equivalents	(2,941)	6,009
Effect of exchange rate changes	(98)	37
Cash and cash equivalents at beginning of the year	9,781	3,735
Cash and cash equivalents at end of the year	6,742	9,781

(d) (i) Statement (for the issuer and the group) showing (i) all changes in equity or (ii) changes in equity other than those arising from capitalization and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Total S\$'000	S\$'000	S\$'000
GROUP						
Balance as at 1 Jan 16	46,226	(35,133)	82	11,175	(1,594)	9,581
Total comprehensive income for the year	-	(1,059)	37	(1,022)	14	(1,008)
Balance as at 31 Dec 16 and 1 Jan 17	46,226	(36,192)	119	10,153	(1,580)	8,573
Total comprehensive income for the year	-	(1,955)	(98)	(2,053)	(2)	(2,055)
Balance as at 31 Dec 17	46,226	(38,147)	21	8,100	(1,582)	6,518

	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
COMPANY			
Balance as at 1 Jan 16	46,226	(36,725)	9,501
Total comprehensive income for the year	-	(1,275)	(1,275)
Balance as at 31 Dec 16 and 1 Jan 17	46,226	(38,000)	8,226
Total comprehensive income for the year	-	(1,983)	(1,983)
Balance as at 31 Dec 17	46,226	(39,983)	6,243

- (d) (ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There are no changes in the Company’s share capital since the end of the previous period reported (31 December 2016).

- (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31 Dec 17 Number of ordinary shares	31 Dec16 Number of ordinary shares
Balance at beginning and end of year	1,921,637,787	1,921,637,787

- (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

Yes.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	31 Dec 17	31 Dec 16
Loss attributable to ordinary shareholders (S\$'000)	(1,955)	(1,059)
Weighted average and fully diluted ordinary shares for the purpose of calculating basic loss per share ('000)	1,921,638	1,921,638
Loss per share (cents)	(0.10)	(0.06)

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

No diluted loss per share is presented as there is no potential dilutive ordinary share for the years ended 31 December 2017 and 31 December 2016.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16
Net asset value per ordinary share (cents)	0.34	0.45	0.32	0.43

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Comprehensive Income

The revenue in FY2017 was mainly derived from the trading activities as compared to FY2016 where revenue was derived from interest income.

Other income has decreased by \$16,000 due to lower currency exchange gain from fluctuating exchange rates, resulting in a loss from revaluation during the year.

General and administrative expenses⁽¹⁾ increased by \$383,000 mainly due to higher professional fees of \$1.1 million (FY2016 : \$0.3 million) incurred for Litigation⁽²⁾.

The Group recorded a net loss of \$1,957,000 for FY2017 as compared to a net loss of \$1,045,000 for FY2016. The increase in net loss was mainly due to higher professional fees as mentioned above.

Note 1 : General and administration expenses

	1 Jan 17 to 31 Dec 17 S\$'000	1 Jan 16 to 31 Dec 16 S\$'000	Increase / (Decrease) %
Accounting fees	13	43	(70)
Audit fees	43	52	(17)
Corporate expenses	128	150	(15)
Secretarial fees	38	36	6
Professional fees relating to Litigation	1,144	319	259
Other professional fees	7	333	(98)
Director's fees	150	150	-
Director's remuneration & CPF	212	207	2
Staff expenses	190	232	(18)
Other expenses	68	88	(23)
General and administrative expenses	(1,993)	(1,610)	24

Note 2 :

Litigation refers to on-going litigation which was announced by the Company on 21 May 2015, 18 September 2015, 30 October 2015, 15 January 2016, 11 October 2016 and 22 September 2017.

Statements of Financial Position

Group

Current assets decreased by \$2,325,000 mainly due to the reduction of cash used for payments of its expenses. This is in line with the increase in expenses during the year along with the decrease in payables.

Current liabilities decreased by \$271,000 mainly due to the payment of accrued payables.

Company

Current assets decreased by \$2,236,000 mainly due to the reduction of cash used for payments of its expenses. This is in line with the increase in expenses during the year along with the decrease in payables.

Current liabilities decreased by \$266,000 mainly due to the payment for accrued payables.

Statement of Cash Flows

The Group reported a net cash of \$2,941,000 used in operating activities for expenses incurred, mainly due to increase in payment made for expenses during the year.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast, or a prospect statement, was previously disclosed to the shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Litigation is still on-going and the Company will make timely announcement, where applicable.

The Board and management continue to look for and identify the right business for the Company. The Company is currently evaluating several proposals and will make appropriate announcement in due course.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share cents

Not applicable.

(b) (ii) Previous corresponding period cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under [Rule 920](#) (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There are no IPT mandate during the financial year.

- 14 Negative assurance confirmation under the SGX listing rule 705(5) of the listing manual.**

Not applicable for full-year financial results announcement.

- 15 Undertakings confirmation pursuant to Rule 720 (1) of the listing manual.**

The Board of Directors of the Company hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

Part 2 ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

In FY2017, the Group mainly derived its revenue from trading business.

In FY2016, the Group derived its revenue from interest income received on Visualedge loan which was fully repaid on 29 September 2016.

- 17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable, please refer to Section 16 above.

- 18 A breakdown of sales as follows:-**

	<u>2017</u> S\$'000	<u>2016</u> S\$'000	Increase / (Decrease) %
a) Sales reported for the first half year	2	349	(99)
b) Operating loss after tax before deducting non-controlling interests reported for the first half year	(641)	(614)	4
c) Sales reported for the second half year	386	178	117
d) Operating loss after tax before deducting non-controlling interests reported for the second half year	(1,316)	(431)	205

- 19 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

Not applicable.

- 20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to [Rule 704](#) (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms there no person occupying a managerial position in the Company and any of its principal subsidiaries who is a relative of a Director or Executive Chairman or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Huang Wen Lai
Executive Chairman

1 March 2018

David Chin Yew Choong
Non-Executive Non-Independent
Director