M DEVELOPMENT LTD
(Company Registration No. 200201764D)

Unaudited Half Year Financial Statement and Dividend Announcement for the period ended 30 June 2015

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 15 to 30 Jun 15 S$'000	1 Jan 14 to 30 Jun 14 S$'000	Increase / (Decrease) %
Continuing operations			
Revenue	-	4,810	-100%
Cost of sales	-	(4,623)	-100%
Gross profit	-	187	-100%
Other operating income	447	26	1619%
Administrative expenses	(663)	(777)	-15%
Other operating expenses	(196)	(29)	576%
Loss before income tax	(412)	(593)	
Income tax (expense) / benefit	-	(16)	-100%
Loss for the year from continuing operations, net of tax	(412)	(609)	
Other comprehensive income:			
Foreign currency translation differences	-	(1)	
Total comprehensive loss for the year from continuing operations	(412)	(610)	
Discontinued operations			
Loss from discontinued operations	(3,598)	320	
Total comprehensive loss for the year	**(4,010)**	**(290)**	
Attributable to			
Owners of the Company			
Loss for the year attributable to owners of the Company	(2,069)	(509)	
Loss for the year attributable to non-controlling interests	(1,941)	(101)	
	(4,010)	**(610)**	

(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 30 Jun 15	Group 31 Dec 14	Company 30 Jun 15	Company 31 Dec 14
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	18	19	-	-
Investment in subsidiaries	-	-	177	1,146
Loan receivable	7,000	7,000	7,000	7,000
Total non-current assets	**7,018**	**7,019**	**7,177**	**8,146**
Current assets:				
Trade receivables	-	5,042	-	-
Other receivables and deposits	188	155	175	142
Prepayments	41	5	-	-
Income tax recoverable	12	7	-	-
Amounts due from related parties	1,256	7,608	-	-
Amount due from subsidiaries	-	-	409	3,094
Cash and cash equivalents	4,450	4,351	3,933	2,004
Assets from disposal group	7,603	9,157	-	-
Total current assets	13,550	26,325	4,517	5,240
Total assets	**20,568**	**33,344**	**11,694**	**13,386**
LIABILITIES				
Current liabilities:				
Trade payables	51	10,492	-	-
Other payables and accruals	205	226	16	55
Income tax payable	74	148	-	-
Provisions	1,892	-	2,492	-
Liabilities from disposal group	9,628	9,750	-	-
Total current liabilities	**11,850**	**20,616**	**2,508**	**55**
Total non-current liabilities	**-**	**-**	**-**	**-**
EQUITY				
Share capital	46,226	46,226	46,226	46,226
Foreign currency translation reserve	(1)	(1)	-	-
Accumulated losses brought forward	(33,184)	(33,669)	(32,895)	(32,895)
(Loss)/profit for the period/year	(2,069)	485	(4,145)	-
Accumulated losses	(35,253)	(33,184)	(37,040)	(32,895)
Total equity attributable to the owners of the Company	10,972	13,041	9,186	13,331
Non-controlling interests	(2,254)	(313)	-	-
Total Equity	**8,718**	**12,728**	**9,186**	**13,331**
Total liabilities and equity	**20,568**	**33,344**	**11,694**	**13,386**

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

Amount repayable in one year or less, or on demand

As at 30 Jun 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	832	Nil	907

Amount repayable after one year

As at 30 Jun 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	Nil	Nil	372

Details of any collateral

As at 30 June 2015, the disposal group has outstanding loans amounting to S$832,000 (2014: S$1,279,000) which were guaranteed by directors of the subsidiary.

(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 15 to 30 Jun 15 S$'000	1 Jan 14 to 30 Jun 14 S$'000
Cash flows from operating activities		
Loss from continuing activities, before tax	(412)	(593)
(Loss)/Profit from discontinued activities, before tax	(3,602)	473
Adjustments for:		
Depreciation of property, plant and equipment	323	713
Provisions	1,892	
Interest expense	28	158
Interest income	(18)	(37)
Operating cash flows before changes in working capital	(1,789)	714
Changes in working capital:		
Trade receivables	5,431	(5,696)
Other receivables and deposits	89	(1,083)
Prepayments	18	114
Amounts due from related companies	6,441	(91)
Trade payables	(7,394)	4,461
Other payables and accruals	(2,735)	(1,710)
Cash flows generated from/(used in) operations	61	(3,291)
Interest paid	(28)	(158)
Interest received	18	37
Tax paid	(27)	2
Net cash flows generated from/(used in) operations	25	(3,410)
Cash flows from investing activities		
Purchase of property, plant and equipment	(11)	(89)
Net cash flows used in investing activities	(11)	(89)
Cash flows from financing activities		
Proceeds from loans and borrowings	665	-
Repayment of loans and borrowings	(1,112)	(609)
Net cash flows used in financing activities	(447)	(609)
Net decrease in cash and cash equivalents	(433)	(4,108)
Cash & cash equivalents at beginning of the period	5,546	18,156
Cash & cash equivalents at end of the period	**5,113**	**14,048**

(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.

GROUP

30 Jun 2015

Group statement of changes in equity	Share capital	Foreign currency translation reserve	Accumulated losses	Total attributable to owners of the Company	Non-controlling interest	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 Jan 2015	46,226	(1)	(33,184)	13,041	(313)	12,728
Total comprehensive loss for the year	-	-	(2,069)	(2,069)	(1,941)	(4,010)
Balance at 30 Jun 2015	46,226	(1)	(35,253)	10,972	(2,254)	8,718

30 Jun 2014

Group statement of changes in equity	Share capital	Foreign currency translation reserve	Accumulated losses	Total attributable to owners of the Company	Non-controlling interest	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 Jan 2014	46,226	(1)	(33,669)	12,556	54	12,610
Total comprehensive loss for the year	-	(1)	(189)	(190)	(101)	(291)
Balance at 30 Jun 2014	46,226	(2)	(33,858)	12,366	(47)	12,319

COMPANY

30 Jun 2015

Company statement of changes in equity	Share capital	Foreign currency translation reserve	Accumulated losses	Total attributable to owners of the Company	Non-controlling interest	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 Jan 2015	46,226	-	(32,895)	13,331	-	13,331
Total comprehensive loss for the year	-	-	(4,145)	(4,145)	-	(4,145)
Balance at 30 Jun 2015	46,226	-	(37,040)	9,186	-	9,186

30 Jun 2014

Company statement of changes in equity	Share capital	Foreign currency translation reserve	Accumulated losses	Total attributable to owners of the Company	Non-controlling interest	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 Jan 2014	46,226	-	(31,914)	14,312	-	14,312
Total comprehensive loss for the year	-	-	(242)	(242)	-	(242)
Balance at 30 Jun 2014	46,226	-	(32,156)	14,070	-	14,070

(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 2014).

(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.

	30-Jun-15	31-Dec-14
Total number of issued shares	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:-

	30 Jun 15	31 Dec 14
(Loss)/Profit attributable to ordinary shareholders (S$'000)	(2,189)	485
Weighted average and fully diluted ordinary shares for the purpose of calculating basic (loss)/profit per share ('000)	1,921,638	1,921,638
(Loss)/Profit per share (cents)	(0.11)	0.03

(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 six months ended 30 June 2015 and 31 December 2014.

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 30 Jun 15	Group 31 Dec 14	Company 30 Jun 15	Company 31 Dec 14
Net asset value per ordinary share (cents)	0.56	0.68	0.47	0.69

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.

As announced on 21 May 2015, following the internal audit of the subsidiaries of Winsta Group, legal actions have been commenced against thirteen parties for actionable wrongs and breaches of duties. In addition, on 4 August 2015, the subsidiaries of Winsta Group have been placed under creditors' voluntary liquidation. Please refer to the announcement for more details.

Statement of Comprehensive Income

In view of the liquidation, the performance of Winsta's subsidiaries have been reclassified as discontinued operations.

For the six months ended 30 June 2015, the Group has no revenue as compared to S$4,810,000 in 2014. The revenue in 1H2014 was mainly generated by United Force Trading Pte. Ltd. ("UFT") which consists of the trading of electrical products.

Other operating income increased by S$421,000 mainly due to the interest income on loan receivable.

Other operating expenses have increased by S$167,000 mainly due to increase in professional fees, corporate expenses, office rental and UFT's operating expenditure.

Statement of Financial Position

Trade receivables for FY2014 have been received in full.

Other receivables increased by S$33,000 mainly due to loan interest receivable for the period from April 2015 to June 2015.

Amount due from related parties has decreased from S$7,608,000 to S$1,256,000 following the payment of S$6,352,000 received in 1H2015. Subsequent to 30 June 2015, a further sum of S$674,000 has been received, bringing the outstanding balance to S$582,000.

Trade payables of the Group have decreased to S$51,000 (2014: S$10,492,000) mainly due to payment made by UFT in relation to their trading business in 2014.

Statement of Cash Flows

The Group reported a net cash of S$25,000 generated from operating activities and had used S$11,000 for the purchase of property, plant and equipment. The Group also made net repayment of S$447,000 of loans during the period. Hence, the Group recorded a net decrease in cash of S$433,000.

Proceeds raised from Convertible Notes Issue

As reported earlier, as at 31 December 2014, net proceeds of S$15,200,000 have been raised from the issuance of convertible notes and S$13,196,000 has been used for general working capital. During the first half of 2015, a further S$1,072,000 have been utilised as set out below.

	S$'000
Balance as at 31 December 2014	2,004
Salary, CPF and directors' fees	(336)
Legal and professional fees	(649)
Corporate secretarial, compliance and listing related expenses	(55)
General expenses	(32)
Balance of proceeds as at 30 June 2015	932

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.

As mentioned in paragraph 8 above, the subsidiaries of Winsta have commenced creditors' voluntary liquidation on 3 and 4 August 2015. The liquidation of Winsta Group entities will have a negative impact on the financial performance on the Company, given that the Company owns a 51% stake in the Winsta Group. Please refer to the announcement dated 4 August 2015 for more details and the Company will make further announcement, where appropriate.

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.

The aggregate value of the Interested Persons Transactions in 1H2015 are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (including transactions less than S$100,000)
Uni-House Pte Ltd	Not applicable	S$162,000
Bian Bee Co Pte Ltd	Not applicable	S$23,000
St Thomas Investment Pte Ltd	Not applicable	S$103,000
Overseas Student Placement Centre Pte Ltd	Not applicable	S$803,000
Pegasus International Preschool Pte Ltd	Not applicable	S$45,200

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

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the half year ended 30 June 2015 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Huang Wen Lai
Executive Chairman
14 August 2015

Chin Yew Choong David
Independent Director