M DEVELOPMENT LTD
(Company Registration No. 200201764D)

Unaudited Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2019

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 immediately preceding financial year.

	1 Jan 19 to 31 Dec 19 S$'000	1 Jan 18 to 31 Dec 18 S$'000	Increase / (Decrease) %
Revenue	6	1,952	(99)
Cost of sales	–	(1,967)	nm
Gross profit/(loss)	6	(15)	nm
Other income	–	3	nm
General and administrative expenses	(792)	(1,633)	(52)
Loss before tax	(786)	(1,645)	
Income tax credit	–	-	nm
Loss for the year	(786)	(1,645)	
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	(3)	25	
Total comprehensive income	(789)	(1,620)	
Loss for the year attributable to:			
Owners of the Company	(784)	(1,643)	
Non-controlling interests	(2)	(2)	
	(786)	(1,645)	
Total comprehensive income attributable to:			
Owners of the Company	(787)	(1,618)	
Non-controlling interests	(2)	(2)	
	(789)	(1,620)	

(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 19 S$'000	31 Dec 18 S$'000	31 Dec 19 S$'000	31 Dec 18 S$'000
ASSETS				
Non-current assets				
Plant and equipment	–	–	–	–
Investments in subsidiaries	–	–	142	142
Total non-current assets	–	–	142	142
Current assets				
Right-of-use assets	28	–	28	–
Trade receivables	–	116	–	–
Deposits	10	7	6	7
Prepayments	3	3	3	3
Cash and cash equivalents	934	6,077	730	4,673
Total current assets	975	6,203	767	4,683
Total assets	975	6,203	909	4,825
LIABILITIES				
Current liabilities				
Lease Liabilities	27	–	27	–
Trade payables	–	116	–	–
Other payables and accruals	1,222	1,069	332	182
Loan from a Director	37	120	–	–
Total current liabilities	1,286	1,305	359	182
Net current (liabilities)/assets	(311)	4,898	408	4,643
EQUITY				
Share capital	41,806	46,226	41,806	46,226
Accumulated losses	(40,574)	(39,790)	(41,256)	(41,583)
Foreign currency translation reserve	43	46	-	-
	1,275	6,482	550	4,643
Non-controlling interests	(1,586)	(1,584)	–	–
	(311)	4,898	550	4,643
Total equity and liabilities	975	6,203	909	4,825

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

During the year, the Group has repaid S$83,000 (2018 : S$nil) of the unsecured interest-free loan from a Director.

Amount repayable in one year or less, or on demand

As at 31 Dec 19		As at 31 Dec 18	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	37	Nil	120

Amount repayable after one year

As at 31 Dec 19		As at 31 Dec 18	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	Nil	Nil	Nil

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

	1 Jan 19 to 31 Dec 19 S$'000	1 Jan 18 to 31 Dec 18 S$'000
Operating activities		
Loss before tax	(786)	(1,645)
Adjustments for:		
Depreciation of right-of-use assets	37	–
Interest income	(6)	(10)
Interest expense	2	–
Total adjustments	33	(10)
Operating cash flows before changes in working capital	(753)	(1,655)
Changes in working capital		
Decrease in trade receivable	116	254
(Increase)/decrease in deposits	(3)	375
Decrease in prepayments	–	4
(Decrease)/increase in trade payables	(116)	116
Increase in other payables and accruals	153	88
Cash flows used in from operations	(603)	(818)
Interest received	6	10
Interest paid	(2)	-
Net cash flows used in operating activities	(599)	(2,941)
Financing activities		
(Repayment)/proceeds from loan from a Director	(83)	120
Cash distribution to shareholders	(4,420)	–
Lease payments	(38)	–
Net cash flows (used in)/from financing activities	(4,541)	120
Net decrease in cash and cash equivalents	(5,140)	(688)
Effect of exchange rate changes	(3)	23
Cash and cash equivalents at beginning of the year	6,077	6,742
Cash and cash equivalents at end of the year	934	6,077

(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 18	46,226	(38,147)	21	8,100	(1,582)	6,518
Total comprehensive income for the year	–	(1,643)	25	(1,618)	(2)	(1,620)
Balance as at 31 Dec 18 and 1 Jan 19	46,226	(39,790)	46	6,482	(1,584)	4,898
Total comprehensive income for the year	–	(784)	(3)	(787)	(2)	(789)
Capital reduction	(4,420)	–	–	(4,420)	–	(4,420)
Balance as at 31 Dec 19	41,806	(40,574)	43	1,275	(1,586)	(311)

	Share capital S$'000	Accumulated losses S$'000	Total equity S$'000
COMPANY			
Balance as at 1 Jan 18	46,226	(39,983)	6,243
Total comprehensive income for the year	–	(1,600)	(1,600)
Balance as at 31 Dec 18 and 1 Jan 19	46,226	(41,583)	4,643
Total comprehensive income for the year	–	327	327
Capital reduction	(4,420)	–	(4,420)
Balance as at 31 Dec 19	41,806	(41,256)	550

(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Following the shareholders' approval of the proposed capital reduction and cash distribution at the AGM held on 21 June 2019, the Company paid S$4,420,000 to the shareholders on 15 August 2019 which reduced the Company's share capital from S$46,226,000 to S$41,806,000 and leaving the number of ordinary shares unchanged at 1,921,637,787 ordinary shares.

(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 19 Number of ordinary shares	31 Dec18 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, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 modifications 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.**

On 1 January 2019, the Group adopted SFRS(I) 16 Leases, which is effective for annual periods beginning on or after 1 January 2019. The adoption of SFRS(I) 16 did not have any material effect on the financial performance or position of the Group and the Company.

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, comparative figures are not restated and the cumulative effect of initially applying the standard is recognised as an adjustment to the opening balance of retained earnings at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying FRS 17 at the date of initial application.

Upon adoption of SFRS(I) 16, the Group recognised right-of-use assets of $28,000, current lease liabilities of $27,000 as at 1 January 2019.

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 19	31 Dec 18
Loss attributable to ordinary shareholders (S$'000)	(784)	(1,643)
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)	(0.04)	(0.09)

(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 2019 and 31 December 2018.

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 19	31 Dec 18	31 Dec 19	31 Dec 18
Net asset value per ordinary share (cents)	(0.02)	0.25	0.03	0.24

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 FY2019 was derived from interest income as compared to FY2018 where revenue was derived mainly from trading activities.

General and administrative expenses(1) decreased by S$841,000 mainly due to lower professional fees of S$0.1 million (FY2018 : S$0.8 million) incurred in relation to the Lawsuit(2). The professionals took lesser days to prepare for the court hearing by the Court of Appeal in FY2019 as compared to the court hearing by the High Court in FY2018, resulting in the decrease of professional fees incurred.

The Group recorded a net loss of S$786,000 for FY2019 as compared to a net loss of S$1,645,000 for FY2018. The decrease in net loss was mainly due to lower professional fees as mentioned above.

Note 1: General and administration expenses

	1 Jan 19 to 31 Dec 19 S$'000	1 Jan 18 to 31 Dec 18 S$'000	Increase / (Decrease) %
Accounting fees	13	13	–
Audit fees	41	44	(7)
Corporate expenses	68	58	17
Director's fees	99	150	(34)
Director's remuneration & CPF	129	212	(39)
Other expenses	70	103	(32)
Other professional fees	57	34	67
Professional fees relating to the Lawsuit	129	811	(84)
Secretarial fees	29	38	(23)
Staff expenses	157	170	(8)
General and administrative expenses	792	1,633	(52)

Note 2 :

The Lawsuit refers to litigation and appeal which was previously announced by the Company.

Statements of Financial Position

Group

Current assets decreased by S$5,228,000 mainly due to cash distribution of S$4.4 million to shareholder paid on 15 August 2019 and reduction of cash used for payments of its expenses.

Current liabilities decreased by S$19,000 mainly due to partial repayment on loan from a director and offset by increase in other payables and accruals.

Company

Current assets decreased by S$3,916,000 mainly due to cash distribution of S$4.4 million to shareholder paid on 15 August 2019 offset by dividend received from a subsidiary.

Current liabilities increased by S$177,000 mainly due to increase in other payables and accruals.

Statement of Cash Flows

The Group reported a net cash of S$599,000 used in operating activities for expenses incurred.

The Group make a cash distribution of S$4.4 million to shareholders and a partial repayment on loan from a Director.

Group reported a net decrease in cash of S$5,140,000 for the year 2019, mainly due to cash distribution of S$4.4 million to shareholders.

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 Board refers to its announcement made on 10 January 2020, 31 January 2020 and 11 February 2020, on the proposed acquisition of entire issued and paid-up share capital of Antai Mining International Holdings Company Limited ("Proposed Acquisition"). Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in those announcements.

The Proposed Acquisition if undertaken and completed, is expected to result in a reverse takeover of the Company under Rule 1015 of the Listing Manual of the SGX-ST ("Listing Manual") and will be subject to the approval of shareholders of the Company.

The Board is of the view that the Proposed Acquisition is in the best interest of the Company as the Proposed Acquisition presents an opportunity for the Company to acquire a business in the marble mining industry and maintain its listing status, thereby enhancing shareholder value.

Shareholders are advised that the Proposed Acquisition is subject to numerous conditions and further due diligence by the Vendors and the Company. As such, there is no assurance that the Proposed Acquisition will complete and that the shares of the Company will eventually resume trading on the SGX-ST. Shareholders are therefore asked to exercise caution when dealing in the shares of the Company and should consult their legal, financial, tax and other professional advisers if they have any doubt as to the action to take.

The Company refers to its various announcements made regarding the litigation commenced against 13 defendants (including Ms Sim Pei Yee, a former director of the Company, as well as persons and entities related to Ms Sim) and the notices of appeal filed on the matter ("Appeals"). The Appeals were heard on 21 October 2019 and judgement was reserved by the Court of Appeal. As at the date of this announcement, the Court of Appeal has yet to hand down its judgement in the Appeals and the Company will make timely announcement, where applicable.

As disclosed in our FY2018 annual report, since the Company has agreed with the above named defendants to place the funds with the lawyers until the Court of Appeal decides on the various appeals, the Board of Directors has decided not to record the amount of S$2.2 million in the Company's books as at 31 December 2019. The Board of Directors will continue to update the shareholders on any development in this regard.

The Company is considering all available options, such as closing all the dormant subsidiaries to reduce expenses, and will in compliance with the relevant requirements under the listing manual make further announcement(s) to update Shareholders on any material developments, including the cash exit offer in accordance with Rule 1309 of the listing manual.

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 and the reason(s) for the decision.

No dividend has been declared or recommended. The Company is preserving its cash resources to pursue strategic business opportunities.

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 ANNOUNCMENT

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 FY2019, the Group mainly derived its revenue from bank interest income.

In FY2018, the Group derived its revenue from trading business.

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:-

	2019 S$'000	2018 S$'000	Increase / (Decrease) %
a) Sales reported for the first half year	5	285	(98)
b) Operating loss after tax before deducting non-controlling interests reported for the first half year	(359)	(1,201)	(70)
c) Sales reported for the second half year	1	1,667	(99)
d) Operating loss after tax before deducting non-controlling interests reported for the second half year	(427)	(444)	(4)

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

David Chin Yew Choong
Non-Executive Non-Independent Director

17 February 2020