Development Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 200201764D)

UPDATE ON THE LOAN TO VISUALEDGE TECHNOLOGY CO., LTD.

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*Unless otherwise defined, all capitalised terms used herein shall have the same meanings given to them in the announcements dated 7 October 2014 and 10 September 2015 (the "**Announcements**").*

The board of directors (the "**Board**") of M Development Ltd (the "**Company**") refers to the Announcements and would like to provide the following update in reply to the query raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 22 September 2016, on the loan provided by the Company to Visualedge Technology Co., Ltd. ("**Visualedge**").

SGX-ST Query

"We note in your announcement dated 15 August 2016 that the Company did not "foresee any issue with respect to the collection of full repayment of S$7 million loan extended to Visualedge Technology Co. Ltd due on 24 August 2016." However, the Company has not provided an update on the repayment of the loan extended to Visualedge Technology Co. Ltd which matured on 24 August 2016. As the amount of S$7 million is very significant in comparison to the Company's NAV of S$8.9 million as at 30 June 2016, please provide update on the collection of the loan, including the specific dates and repayment amounts collected by the Company."

Company's Response

1. As set out in the Company's announcement dated 15 August 2016, the Company had anticipated that full repayment of the amount of S$7,000,000 ("**Principal**"), together with any and all interest outstanding thereon (collectively, the "**Outstandings**"), would be made by Visualedge on 24 August 2016 ("**Original Repayment Date**") in accordance with the terms of the Loan. However, there has been unexpected delay on the part of Visualedge in making such repayment.

2. Subsequent to the Original Repayment Date, the Company has been diligently following up with Visualedge on the repayment of the Outstandings.

3. On 22 September 2016, the Company has been informed by Visualedge that:

   (a) the Principal would be remitted to the Company by the end of September 2016; and

   (b) after the repayment of the Principal, Visualedge would discuss with the Company the balance amount of the Outstandings, being the accrued and default interest payable on the Principal.

4. The Company will make further announcements when there are any significant developments.

BY ORDER OF THE BOARD
M DEVELOPMENT LIMITED

Huang Wen-Lai
Executive Chairman and Director
26 September 2016