M DEVELOPMENT LTD
(Company Registration No. 200201764D)

Unaudited Half Year Financial Statement and Dividend Announcement for the period ended 30 June 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 immediate preceding financial year.

	1 Jan 19 to 30 Jun 19 S$'000	1 Jan 18 to 30 Jun 18 S$'000	Increase / (Decrease) %
Revenue	5	285	(98)
Cost of sales	–	(274)	n.m.
Gross profit	5	11	
Other income	–	1	n.m.
General and administrative expenses	(364)	(1,213)	(70)
Loss before tax	(359)	(1,201)	
Income tax expense	–	–	nm
Loss for the period	(359)	(1,201)	
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	(13)	25	
Total comprehensive income	(372)	(1,176)	
Loss for the period attributable to:			
Owners of the Company	(358)	(1,200)	
Non–controlling interests	(1)	(1)	
	(359)	(1,201)	
Total comprehensive income attributable to:			
Owners of the Company	(371)	(1,175)	
Non-controlling interests	(1)	(1)	
	(372)	(1,176)	

(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	
	30 Jun 19 S$'000	31 Dec 18 S$'000	30 Jun 19 S$'000	31 Dec 18 S$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	–	–	142	142
Total non-current assets	–	–	142	142
Current assets				
Trade receivables	–	116	–	–
Deposits	12	7	7	7
Prepayments	3	3	3	3
Cash and bank balances	5,696	6,077	4,308	4,673
Total current assets	5,711	6,203	4,318	4,683
Total assets	5,711	6,203	4,460	4,825
LIABILITIES				
Current liabilities				
Trade payables	–	116	–	–
Loan from a Director	120	120	–	–
Other payables and accruals	1,065	1,069	175	182
Total current liabilities	1,185	1,305	175	182
Net current assets	4,526	4,898	4,143	4,501
EQUITY				
Share capital	46,226	46,226	46,226	46,226
Accumulated losses	(40,148)	(39,790)	(41,941)	(41,583)
Foreign currency translation reserve	33	46	–	–
	6,111	6,482	4,285	4,643
Non-controlling interests	(1,585)	(1,584)	–	–
	4,526	4,898	4,285	4,643
Total liabilities and equity	5,711	6,203	4,460	4,825

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

As at 30 June 2019 and 31 December 2018, the Group had total borrowings of approximately S$120,000 (equivalent to RMB600,000) from a loan provided from a Director that is unsecured, interest-free, repayable on demand and is to be settled in cash.

Amount repayable in one year or less, or on demand

As at 30 Jun 19		As at 31 Dec 18	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	120	Nil	120

Amount repayable after one year

As at 30 Jun 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), with a comparative statement for the corresponding period of the immediately preceding financial year.

	1 Jan 19 to 30 Jun 19 S$'000	1 Jan 18 to 30 Jun 18 S$'000
Operating activities		
Loss before tax	(359)	(1,201)
Adjustments for:		
Interest income	(5)	(5)
Operating cash flows before changes in working capital	(364)	(1,206)
Changes in working capital		
Decrease in trade receivables	116	207
(Increase)/decrease in other receivables and deposits	(5)	369
Decrease in prepayments	–	1
(Decrease)/increase in trade payables	(116)	158
(Decrease)/increase in other payables and accruals	(4)	368
Cash flows used in from operations	(373)	(103)
Interest received	5	5
Tax paid	–	–
Net cash flows used in operating activities	(368)	(98)
Net decrease in cash and cash equivalents	(368)	(98)
Effect of exchange rate changes	(13)	25
Cash and cash equivalents at beginning of the period	6,077	6,742
Cash and cash equivalents at end of the period	5,696	6,669

(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 period	–	(1,200)	25	(1,175)	(1)	(1,176)
Balance as at 30 Jun 18	46,226	(39,347)	46	6,925	(1,583)	5,342
Balance as at 1 Jan 19	46,226	(39,790)	46	6,482	(1,584)	4,898
Total comprehensive income for the period	–	(358)	(13)	(371)	(1)	(372)
Balance as at 30 Jun19	46,226	(40,148)	33	6,111	(1,585)	4,526

	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 period	–	(1,188)	(1,188)
Balance as at 30 Jun 18	46,226	(41,171)	5,055
Balance as at 1 Jan 19	46,226	(41,583)	4,643
Total comprehensive income for the period	–	(358)	(358)
Balance as at 30 Jun 19	46,226	(41,941)	4,285

(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 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.

There are no changes in the Company's share capital since the end of the previous period reported (31 December 2018).

(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 19	31 Dec 18
	Number of ordinary shares	Number of ordinary shares
Balance at beginning and end of period	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 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 19	30 Jun 18
Loss attributable to ordinary shareholders (S$'000)	(358)	(1,200)
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)	(0.02)	(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 30 June 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	
	30 Jun 19	31 Dec 18	30 Jun 19	31 Dec 18
Net asset value per ordinary share (cents)	0.24	0.25	0.22	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$849,000 mainly due to lower professional fees of S$5,000 (1H2018 : S$0.8 million) incurred for the Lawsuit(2). The trial of the Litigation was concluded and the professional fees incurred for the services were recorded in 1st quarter 2018.

The Group recorded a net loss of S$359,000 for 1H2019 as compared to a net loss of S$1,201,000 for the same period in 2018. The increase in net loss was mainly due to lower professional fees as mentioned above.

Note 1 : General and administration expenses

	1 Jan 19 to 30 Jun 18 S$'000	1 Jan 18 to 30 Jun 18 S$'000	Increase / (Decrease) %
Accounting fees	7	7	–
Audit fees	18	36	(50)
Corporate expenses	25	27	(7)
Secretarial fees	13	13	–
Professional fees relating to Lawsuit	5	803	(99)
Other professional fees	30	–	n.m.
Directors' fees	75	75	–
Directors' remuneration & CPF	98	98	–
Staff expenses	71	86	(17)
Other expenses	22	68	(68)
General and administrative expenses	364	1,213	(70)

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$492,000 mainly due to lower trade receivables and reduction of cash used for payments of its expenses.

Current liabilities decreased by S$120,000 mainly due to decrease in trade and other payables and accruals. This was in line with lower professional fees incurred during the period.

Company

Current assets decreased by S$365,000 mainly due to reduction of cash used for payments of its expenses.

Current liabilities decreased by S$7,000 mainly due to decrease in other payables and accruals. This was in line with lower professional fees incurred during the period.

Statement of Cash Flows

The Group reported a net cash outflow of S$368,000 used in operating activities for expenses incurred.

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 Company refer to its announcements made on 21 May 2015, 18 September 2015, 30 October 2015, 15 January 2016, 11 October 2016, 22 September 2017, 7 November 2018 and 20 December 2018 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 date of the hearing of the Appeals by the Court of Appeal is presently fixed to be heard in the third quarter of 2019.

At the annual general meeting on 21 June 2019, the Company had obtained approvals from the Shareholders to make a cash distribution of S$4,500,000 (equal to approximately 0.23 Singapore cents per share to Shareholders), based on the issued and paid-up capital of the Company of S$46,226,000 comprising 1,921,737,787 shares at book closure on 6 August 2019 and the expected payment date is expected to be on or about 15 August 2019.

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.

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 period.

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 2019 to be false or misleading in any material respect.

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.

BY ORDER OF THE BOARD

Huang Wen-Lai
Executive Chairman

David Chin Yew Choong
Non-Executive Non-Independent Director

08 August 2019