



Development Limited

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

NON-BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF A NEW BUSINESS

1. INTRODUCTION

The Board of Directors ("**Board**") of M Development Ltd ("**Company**") wishes to announce that the Company has on 15 August 2018 entered into a non-binding memorandum of understanding ("**MOU**") in relation to the proposed acquisition by the Company of no less than 51% of the issued and paid-up share capital in Hao Yuan Leather (Taishan) Co., Ltd ("**Target**") from H.Y. Holdings Limited ("**Vendor**" and together with the Company and the Target, the "**Parties**") (hereinafter referred to as the "**Proposed Transaction**").

The Proposed Transaction, if undertaken and completed, is expected to result in a reverse takeover of the Company under Rule 1015 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The MOU is subject to the Parties entering into a definitive sale and purchase agreement ("**SPA**").

2. INFORMATION RELATING TO THE VENDOR AND THE TARGET

As at the date of this announcement, the Vendor holds 100% of the issued and paid-up share capital of the Target.

The Target operates a leather tanning business and produces leather products for the automobile industry, furniture industry and fashion industry in the People's Republic of China.

3. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading the shares in the Company as there is no certainty or assurance as at the date of this announcement that the definitive SPA will be entered into, the terms and conditions of the Proposed Transaction will not differ from that set out in the MOU, or the Proposed Transaction will be undertaken at all.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD
M DEVELOPMENT LIMITED

Huang Wen-Lai
Executive Chairman and Director
7 September 2018