Development Limited

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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX-ST LISTING MANUAL

The Company was placed on the watch-list under the Minimum Trading Price Entry Criterion (the "**Watch-list**") with effect from 5 June 2017.

Pursuant to Rule 1313(2) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual, the Board of Directors (the "**Board**") of the Company wishes to provide the following updates on the financial situation, its future direction as well as other material development that may impact the Group's financial position.

Financial Results

The Group recorded a net loss of S$133,000 for the first quarter ended 31 March 2020 ("Q1FY2020") as compared to a net loss of S$182,000 for the same quarter in 2019. The decrease in net loss was due to lower payroll expenses incurred in the same period which is in line with lower headcount.

Future Direction and Other Material Development

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 lawsuit 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), the notices of appeal filed on the matter ("**Appeals**"), the equitable compensation of S$2.2 million (the "**High Court Judgement**") and the additional compensation of S$1.5 million awarded by the Court of Appeal (the "**Additional Judgement**").

On 9 April 2020, the Court of Appeal has allowed the Company's appeal in part and increased the sum of compensation awarded to the Company by $1.5 million and has also maintained the High Court Judgement of $2.2 million. The monies awarded under the High Court Judgement of $2.2 million were paid by the defendants to the Company's lawyer who held these sums on the Company's behalf until the resolution of the appeals. These sums have now been recognised as other income and cash held with the Company's lawyer in FY2019.

In view that the Additional Judgement sum have not been collected, the Board of Directors has decided not to record the amount in the Company's books until payment is collected.

Save as disclosed in the Company's previous announcements, there are no other material developments that may have a significant impact on the financial position of the Group or any other updates on its future direction. The Company will disclose any updates or further information as and when there are any subsequent developments.

BY ORDER OF THE BOARD
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Huang Wen-Lai
Executive Chairman and Director
13 May 2020