M DEVELOPMENT LTD
(Company Registration No. 200201764D)

Unaudited Half Year Financial Statement and Dividend Announcement for the period ended 30 June 2014

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 14 to 30 Jun 14 S$'000	1 Jan 13 to 30 Jun 13 S$'000	Increase / (Decrease)
Revenue	18,392	10,622	*73%*
Cost of sales	(14,724)	(9,171)	*61%*
Gross profit	3,668	1,451	*NM*
Other operating income	1,111	1,203	*-8%*
Administrative expenses	(4,395)	(4,324)	*2%*
Other operating expenses	(428)	(922)	*-54%*
Finance costs	(76)	(45)	*69%*
Loss before income tax	(120)	(2,637)	*NM*
Income tax (expense) / benefit	(169)	84	*NM*
Loss, net of tax	(289)	(2,553)	
Other comprehensive income:			
Foreign currency translation differences	(1)	-	
Total comprehensive loss for the year	**(290)**	**(2,553)**	
Attributable to			
Owners of the Company			
Total comprehensive loss, net of tax	(189)	(1,440)	
Non-controlling interests	(101)	(1,113)	
	(290)	**(2,553)**	

NM - Not Meaningful

(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 30 Jun 14 S$'000	Group 31 Dec 13 S$'000	Company 30 Jun 14 S$'000	Company 31 Dec 13 S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	3,674	4,298	-	-
Investment in subsidiaries	-	-	1,835	1,735
Lease receivables	-	-	-	-
Other receivables and deposits	380	1,726	-	-
Total non-current assets	4,054	6,024	1,835	1,735
Current assets				
Trade receivables	6,545	849	-	-
Other receivables and deposits	3,338	912	9	200
Prepayments	210	324	-	-
Income tax recoverable	-	48	-	-
Amounts due from related parties	1,143	890	-	-
Amount due from a subsidiary	-	-	94	19
Fixed deposits	11,832	13,226	11,832	12,224
Cash and bank balances	2,216	4,930	392	194
Total current assets	25,284	21,179	12,327	12,637
Total assets	29,338	27,203	14,162	14,372
LIABILITIES				
Current liabilities				
Trade payables	6,833	2,386	-	-
Other payables and accruals	3,929	3,907	92	60
Amount due to related parties	449	287	-	-
Income tax payable	242	119	-	-
Provisions and advances	3,283	4,828	-	-
Loans and borrowings	913	1,098	-	-
Total current liabilities	15,649	12,625	92	60
Non-current liabilities				
Loans and borrowings	668	1,091	-	-
Deferred tax liabilities	123	123	-	-
Lease payable	399	574	-	-
Provision and advances	180	180	-	-
Total non-current liabilities	1,370	1,968	-	-
Total liabilities	17,019	14,593	92	60
Net assets	12,319	12,610	14,070	14,312
EQUITY				
Share capital	46,226	46,226	46,226	46,226
Merger reserves	-	-	-	-
Foregin currency translation reserve	(2)	(1)	-	-
Accumulated losses	(33,858)	(33,669)	(32,156)	(31,914)
Total equity attributable to the owners of the Company	12,366	12,556	14,070	14,312
Non-controlling interests	(47)	54	-	-
Total Equity	12,319	12,610	14,070	14,312

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

Amount repayable in one year or less, or on demand

As at 30 Jun 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	913	Nil	1,098

Amount repayable after one year

As at 30 Jun 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	668	Nil	1,091

Details of any collateral

Loans amounting to S$1,581,000 (2013: S$2,189,000) was guaranteed by directors of the subsidiary.

(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 14 to 30 Jun 14 S$'000	1 Jan 13 to 30 Jun 13 S$'000
Cash flows from operating activities		
Loss before tax	(120)	(2,637)
Adjustments for:		
Depreciation of property, plant and equipment	713	1,479
Interest expense	158	45
Interest income	(37)	-
Operating cash flows before changes in working capital	714	(1,113)
Changes in working capital:		
Trade receivables	(5,696)	(313)
Other receivables and deposits	(1,083)	231
Prepayments	114	29
Amounts due from related companies, net	(91)	76
Trade payables	4,461	938
Other payables and accruals	(1,710)	886
Cash flows (used in) / generated from operations	(3,291)	734
Interest paid	(158)	(45)
Interest received	37	-
Tax paid	2	(81)
Net cash flows (used in) / generated from operating activities	(3,410)	608
Cash flows from investing activities		
Purchase of property, plant and equipment	(89)	(3,587)
Net cash flows used in investing activities	(89)	(3,587)
Cash flows from financing activities		
Proceeds from loans and borrowings	-	2,500
Repayment of loans and borrowings	(609)	(400)
Net cash flows (used in) / generated from financing activities	(609)	2,100
Net decrease in cash and cash equivalents	(4,108)	(879)
Cash & cash equivalents at beginning of the year	18,156	21,577
Cash & cash equivalents at end of the year	**14,048**	**20,698**

(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.

GROUP	Share capital S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total attributable to owners of the Company S$'000	Non-controlling interest S$'000	Total Equity S$'000
Balance at 1 Jan 2014	46,226	(1)	(33,669)	12,556	54	12,610
Total comprehensive loss for the year	-	(1)	(189)	(190)	(101)	(291)
Balance at 30 Jun 2014	46,226	(2)	(33,858)	12,366	(47)	12,319

	Share capital S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total attributable to owners of the Company S$'000	Non-controlling interest S$'000	Total Equity S$'000
Balance at 1 Jan 2013	46,226	-	(40,204)	6,022	3,582	9,604
Total comprehensive loss for the year	-	-	(1,440)	(1,440)	(1,113)	(2,553)
Balance at 30 Jun 2013	46,226	-	(41,644)	4,582	2,469	7,051

COMPANY	Share capital S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total attributable to owners of the Company S$'000	Non-controlling interest S$'000	Total Equity S$'000
Balance at 1 Jan 2014	46,226	-	(31,914)	14,312	-	14,312
Total comprehensive loss for the year	-	-	(242)	(242)	-	(242)
Balance at 30 Jun 2014	46,226	-	(32,156)	14,070	-	14,070

	Share capital S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Total attributable to owners of the Company S$'000	Non-controlling interest S$'000	Total Equity S$'000
Balance at 1 Jan 2013	46,226	-	(42,076)	4,150	-	4,150
Total comprehensive loss for the year	-	-	(325)	(325)	-	(325)
Balance at 30 Jun 2013	46,226	-	(42,401)	3,825	-	3,825

(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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There are no changes in the Company's share capital since the end of the previous period reported (31 December 2013).

(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-14	31-Dec-13
Total number of issued shares	1,921,637,787	1,921,637,787

(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares 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 14	31 Dec 13
(Loss) / Profit attributable to ordinary shareholders (S$'000)	(189)	6,534
Weighted average ordinary shares for the purpose of calculating basic earnings / (loss) per share ('000)	1,921,638	1,921,638
(Loss) / Profit per share (cents)	(0.01)	0.34

(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 six months ended 30 June 2014 and 31 December 2013.

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 30 Jun 14	Group 31 Dec 13	Company 30 Jun 14	Company 31 Dec 13
Net asset value per ordinary share (cents)	0.64	0.65	0.73	0.74

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.

The Company incorporated two wholly-owned subsidiaries, United Force Trading Pte. Ltd. ("UFT") and United Force Development (S) Pte. Ltd. ("UFD") on 7 March 2014 and 11 April 2014 respectively.

Statement of Comprehensive Income

For the six months ending 30 June 2014, the Group reported higher revenue of S$18,392,000 as compared to S$10,622,000 in 2013, an increase of S$7,770,000. The increase was derived from trading of electrical products of S$4,798,000 and operations of the hostel at Evans Road and new apartment units at Devonshire and Alexis.

As at 30 June 2014, Winsta Holding Pte Ltd ("Winsta") has operations from the following premises.

- Hostel at 369 Tanjong Katong Road
- Hostel at 27 Mount Vernon Road
- Hostel at 26 Evans Road
- Hostel at 40/50 Carlisle Road
- Hostel at No 5. Pearl Hill Road
- Apartments at Tiong Poh
- Apartments at Aljunied Road
- Apartments at St Thomas
- Apartments at Lumiere
- Apartments at Alexis

Cost of sales has increased by S$5,553,000 as compared to the first half of 2013 mainly due to the trading activity of the newly-incorporated subsidiary, UFT.

Other operating expenses have decreased by S$494,000 mainly due to reversal of provision for onerous contracts.

Statement of Financial Position
Trade receivables increased by S$5,696,000 which is mostly contributed by UFT as the payments were in July 2014.

Other receivables increased by S$1,080,000 mainly due to deposits for the new rental of apartment units at Alexis and at the Lumiere.

Statement of Cash Flows
The Group reported a net cash of S$3,410,000 used in operating activities and had used S$89,000 for the purchase of property, plant and equipment. The Group also made repayment of S$609,000 of loans during the period. Hence, the Group recorded a net decrease in cash of S$4,108,000.

Proceeds raised from Convertible Notes Issue

As reported earlier, at 31 December 2013, net proceeds of S$15,200,000 have been raised from the issuance of convertible notes and S$2,782,000 has been used for general working capital. During the first half of 2014, a further S$194,000 have been utilised as set out below.

	S$'000
Salary, CPF and directors' fees	122
Legal and professional fees	28
Corporate secretarial, compliance and listing related expenses	57
General expenses	37
Transfers to subsidiaries	150
Refund of deposit	(200)
	194

As at 30 June 2014, the Company still has a sum of S$12,224,000 in its banks.

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 leases entered into by the subsidiaries of Winsta ("subsidiaries") for the rental of its premises were for a period of two to three years and usually with a corresponding two-year or three-year option for renewal. The performance of those subsidiaries would be dependent on their ability to renew the leases of their existing properties or securing of leases for new properties and the rental rate to secure the properties. Currently, the rental rate for renewal period is higher and there is a lack of new suitable properties to be used for student hostel operation.

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.

The aggregate value of the Interested Persons Transactions in 1H2014 are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (including transactions less than S$100,000)
Uni-House Pte Ltd	Not applicable	S$372,000
Bian Bee Co Pte Ltd	Not applicable	Nil
St Thomas Investment Pte Ltd	Not applicable	S$336,000
Devonshire Properties Development Pte Ltd	Not applicable	S$37,000
Overseas Student Placement Centre Pte Ltd	Not applicable	S$248,000
Pegasus International Preschool Pte Ltd	Not applicable	S$120,000

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 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Sim Pei Yee
Executive Director
13 August 2014

Huang Wen-Lai
Executive Chairman