



Development Limited

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

ANNOUNCEMENT RELATING TO THE DEED OF INDEMNITY EXECUTED BY M DEVELOPMENT LTD (THE “COMPANY”) IN FAVOUR OF CERTAIN DIRECTORS

The Board of Directors of M Development Ltd (the “**Company**”) refers to its announcement on 4 August 2015 in relation to the liquidation of the subsidiaries of Winsta Holding Pte Ltd.

Prior to their liquidation, some of these subsidiaries were in the business of operating student hostels. In particular, Katong Hostel Pte Ltd and Evan Hostel Pte Ltd had entered into tenancy agreements with the Government of the Republic of Singapore (“**Government**”) for the leases of certain state-owned premises for this purpose. As a condition to these tenancy agreements, they were required to furnish 3 months’ rental as security deposits in favour of the Government; this was done through insurance bonds issued by Liberty Insurance Pte Ltd (“**Liberty Insurance**”). The aggregate insured sum under the Insurance Bonds is approximately S\$2.1 million.

As a condition of the issuance of the Bonds, Liberty Insurance required counter-guarantees to be furnished by subsidiaries as well as certain directors and/or officers of the Company in favour of Liberty Insurance. From in or about 2014, Messrs Huang Wen-Lai, Yap Kian Peng, Chin Yew Choong David and Huang Tzu Ting (the “**Counter-Guarantors**”), together with *inter alia* Messrs Sim Poh Ping, Sim Pei Yee and Sim Pei San, jointly and severally executed deeds of indemnity to indemnify Liberty Insurance in relation to the bonds. The Company had indemnified the Counter-Guarantors for any claims arising therefrom as the Counter-Guarantors had undertaken the obligation at the request of the Company.

The Government has demanded payment against Liberty Insurance for the aggregate insured sum under the bonds, and Liberty Insurance has indicated that it will make payment to the Government. Liberty Insurance has also issued letters of demand against the Counter-Guarantors. The Company believes that similar demands have been made against Messrs Sim Poh Ping, Sim Pei Yee and Sim Pei San, who will be liable to contribute to the sums demanded.

The Company has received notifications from the Counter-Guarantors for indemnity against the claims by Liberty Insurance. In the circumstances, the Company, together with the Counter-Guarantors, will be in touch with Liberty Insurance to resolve their claims. The Company will continue to update the shareholders on any development in this regard.

Huang Wen-Lai
Executive Chairman and Director
17 August 2015