

**CIRCULAR DATED 13 APRIL 2015**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold all your shares in the capital of M Development Ltd., you should hand this Circular, the Notice of Extraordinary General Meeting and attached Proxy Form to the purchaser or to the stockbroker or to the bank or to the agent through whom you effected the sale for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



Development Limited

**M Development Ltd.**

(Company Registration Number: 200201764D)

(Incorporated in the Republic of Singapore on 6 March 2002)

**CIRCULAR TO SHAREHOLDERS  
IN RELATION TO**

**THE PROPOSED AMENDMENT TO AND RENEWAL OF THE INTERESTED PERSON  
TRANSACTIONS MANDATE**

**IMPORTANT DATES AND TIMES**

- |  |   |   |
|--|---|---|
| Last date and time for lodgement of Proxy Form | : | 26 April 2015 at 10.15 a.m.   |
| Date and time of Extraordinary General Meeting | : | 28 April 2015 at 10.15 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10:00 a.m. on the same day and at the same place) |
| Place of Extraordinary General Meeting         | : | Level 3, 146 Robinson Road, Singapore 068909  |

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## DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated.

“2014 EGM”	:	The extraordinary general meeting of the Company held on 30 May 2014
“Act”	:	The Companies Act (Chapter 50) of Singapore, as amended from time to time
“Agency Services”	:	The provision of the following services: <ul style="list-style-type: none"><li>(i) marketing and agency services for the serviced apartments under the management of the Winsta Group; and</li><li>(ii) marketing and agency services for the procurement of foreign students to lease accommodation from the student hostels under the management of the Winsta Group</li></ul>
“AGM”	:	The annual general meeting of the Company to be held on 28 April 2015
“Audit Committee”	:	The audit committee of the Company for the time being
“Back-end Support Services”	:	The provision of back-end support services such as airport transfer and transport services, arranging of medical check up and day tour services for foreign students that OSPC referred to the Winsta Group, and whom leased accommodation from the student hostels under the management of the Winsta Group
“Bian Bee”	:	Bian Bee Company Private Limited
“Bian Bee Transactions”	:	The purchasing of furniture and electrical appliances from Bian Bee
“Board” or “Board of Directors”	:	The board of directors of the Company
“Carlisle Hostel MPL”	:	Carlisle Hostel Management Pte. Ltd., a subsidiary of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Chapter 9”	:	Chapter 9 of the Listing Manual
“Company”	:	M Development Ltd.
“Director”	:	A director for the time being of the Company
“EGM”	:	The extraordinary general meeting of the Shareholders to be held at Level 3, 146 Robinson Road, Singapore 068909 on 28 April 2015 at 10.15 am (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10:00 a.m. on the same day and at the same place), notice of which is set out on page 19 of this Circular

“FRS”	:	Singapore Financial Reporting Standards
“FY”	:	The financial year ended or ending 31 December
“Global Residence”	:	Global Residence Pte. Ltd., a subsidiary of the Company
“Group”	:	The Company and its subsidiaries
“Interested Persons”	:	OSPC, Bian Bee, Uni-House and/or their associates, being the interested persons to whom the proposed Interested Person Transactions Mandate relates, as more particularly described in Section 4.2 of this Circular
“Interested Person Transactions”	:	The categories of transactions with the Interested Persons which fall within the proposed Interested Person Transactions Mandate, as set out in Section 4.1 of this Circular
“Interested Person Transactions Mandate”	:	The general mandate for the purposes of Chapter 9 of the Listing Manual, for the companies within the Group, to enter into the Interested Person Transactions, provided that such transactions are on an arm’s length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
“Katong HPL”	:	Katong Hostel Pte. Ltd., a subsidiary of the Company
“Latest Practicable Date”	:	6 April 2015, being the latest practicable date prior to the printing of this Circular
“Letter of Understanding”	:	The letter of understanding dated 1 January 2009 between Katong HPL and OSPC on the referral of students from OSPC to accommodate at student hostels under the management of the Winsta Subsidiaries (save for THLPL)
“Listing Manual”	:	The listing manual of the SGX-ST, as amended from time to time
“Mt Vernon Premises”	:	The premises known as Blk E and F of 27 Mount Vernon Road Singapore 368052, which are part of six (6) blocks at 27 Mount Vernon Road Singapore 368052 leased to Katong HPL by the SLA
“NPAT”	:	Net profit after tax
“NTA”	:	Net tangible assets
“OSPC”	:	Overseas Students Placement Centre Pte. Ltd.
“OSPC Transactions”	:	The provision of the Agency Services as well as the Back-end Support Services
“Pearl Hill HPL”	:	Pearl Hill Hostel Pte. Ltd., a subsidiary of the Company
“PRC”	:	People’s Republic of China

“Queensway SHPL”	:	Queensway Student Hostel Pte. Ltd., a subsidiary of the Company
“Shares”	:	Ordinary shares in the capital of the Company
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose securities accounts such Shares are credited
“SLA”	:	Singapore Land Authority
“St Thomas”	:	St Thomas Investment Private Limited
“St Thomas Premises”	:	The premises located at 32 St Thomas Walk, Singapore 238112
“St Thomas Tenancy Agreement”:	:	The agreement dated 15 August 2011 between St Thomas and Global Residence pursuant to which the St Thomas Premises was leased by Global Residence from St Thomas for a term of three (3) years from 16 October 2011 to 15 October 2014.
“S\$”	:	Singapore dollars
“THLPL”	:	The Hill Lodge @ Mount Vernon Pte. Ltd. (formerly known as Cambridge Hostel Management Pte. Ltd.), a subsidiary of the Company
“Uni-House”	:	Uni-House Pte. Ltd.
“Uni-House Tenancy Agreement”	:	The agreement dated 20 March 2012 between Uni-House and Katong HPL pursuant to which the Mt Vernon Premises was leased by Uni-House from Katong HPL from 1 March 2012 to 27 December 2014, and renewed from 28 December 2014 to 27 December 2015
“Winsta”	:	Winsta Holding Pte. Ltd., a subsidiary of the Company
“Winsta Group”	:	Winsta and its subsidiaries, namely, the Winsta Subsidiaries
“Winsta Subsidiaries”	:	Collectively, Global Residence, Carlisle Hostel MPL, Katong HPL, Pearl Hill HPL, Queensway SHPL, THLPL and Evan Hostel Pte. Ltd.
“%”	:	Percentage and per centum

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Act.

Words importing the singular number shall include the plural number where the context admits and *vice versa*. Words importing the masculine gender shall include the feminine gender where the context admits. Reference to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the said Act.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of a day in this Circular is a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

**M DEVELOPMENT LTD.**  
(Company Registration Number: 200201764D)  
(Incorporated in the Republic of Singapore on 6 March 2002)

**Directors:**

Mr. Huang Wen-Lai (Executive Chairman)  
Ms. Sim Pei Yee (Executive Director)  
Mr. Dali Kumar @ Dali Bin Sardar (Independent Director)  
Mr. Chin Yew Choong David (Independent Director)  
Mr. Yap Kian Peng (Independent Director)  
Mr. Wu Bingqing (Independent Director)

**Registered Office:**

4 Shenton Way #17-01  
SGX Centre 2  
Singapore 068807

13 April 2015

To the Shareholders of M Development Ltd.

Dear Sir / Madam

**THE PROPOSED AMENDMENT TO AND RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE**

**1. INTRODUCTION**

- 1.1 The Directors are convening an EGM to be held on 28 April 2015 to seek Shareholders' approval for the proposed renewal of the existing Interested Person Transactions Mandate (the "**2014 Mandate**") for interested person transactions pursuant to Chapter 9 of the Listing Manual (the "**Proposed Renewal**").
- 1.2 At the extraordinary general meeting of the Company held on 27 April 2012, the Shareholders had approved a mandate for the Company to enter into certain interested person transactions in accordance with the guidelines and review procedures as described in the circular to Shareholders dated 10 April 2012 (the "**2012 Mandate**"). Subsequently, the 2012 Mandate was renewed in the extraordinary general meetings of the Company held on 29 April 2013 and 30 May 2014. The validity period of the 2014 Mandate will be expiring at the forthcoming AGM of the Company to be held on 28 April 2015. Accordingly, the Directors are seeking approval from the Shareholders for the Proposed Renewal at the EGM.
- 1.3 The Company also proposes to reduce the scope of Interested Person Transactions Mandate (as compared to the 2014 Mandate) by excluding the leasing of the St Thomas Premises from St Thomas by Global Residence (the "**Proposed Amendment**").
- 1.4 The purpose of this Circular is to provide Shareholders with information relating to and explaining the rationale for the Proposed Renewal.

**2. REQUIREMENTS UNDER CHAPTER 9 OF THE LISTING MANUAL AS TO INTERESTED PERSON TRANSACTIONS**

**2.1 Introduction**

Chapter 9 of the Listing Manual regulates transactions by a listed company, its subsidiaries and associated companies that are considered to be at risk (each referred to as an "entity at risk", which is more particularly defined below), with the interested persons that may adversely affect the interests of the listed company.

When Chapter 9 applies to a transaction when the value of that transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year is equivalent to or exceeds certain financial thresholds, the listed company is required to make an immediate announcement and may additionally be required to seek shareholders' approval for that transaction.

Under Chapter 9:

- (a) An "entity at risk" means:
  - (i) the listed company;
  - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
  - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.

For such purpose, an "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9.

- (b) An "interested person" means:
  - (i) a director, chief executive officer, or controlling shareholder of the listed company; or
  - (ii) an associate of any such director, chief executive officer, or controlling shareholder.
- (c) An "interested person transaction" means a transaction between an entity at risk and an interested person.

## 2.2 Other Relevant Definitions under the Listing Manual

Additionally, the following terms referred to in Chapter 9 are also defined elsewhere under the Listing Manual:

- (a) An "associate" means:
  - (i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means (1) his immediate family; (2) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (3) any company in which he and his immediate family together (directly or indirectly) have any interest of 30% or more; and
  - (ii) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- (b) An "associated company" means, in relation to a listed company, any company in which at least 20% but not more than 50% of its shares are held by the listed company or group.
- (c) A "controlling shareholder" means a person who:
  - (i) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the listed company (unless the SGX-ST determines otherwise); or
  - (ii) in fact exercises control over the listed company.



### 2.3 Discloseable Transactions

An immediate announcement is required where:

- (a) the value of a proposed interested person transaction is equal to or exceeds 3% of the listed group's latest audited consolidated NTA ("**Threshold 1**"); or
- (b) the aggregate value of all interested person transactions entered into with the same interested person during the same financial year, is equal to or more than Threshold 1. In this instance, an announcement will have to be made immediately after the latest interested person transaction and all future interested person transactions entered into with the same interested person during the financial year.

### 2.4 Transactions Requiring Shareholders' Approval

The approval of shareholders (in addition to an immediate announcement) is required where:

- (a) the value of a proposed interested person transaction is equal to or exceeds 5% of the listed group's latest audited consolidated NTA ("**Threshold 2**"); or
- (b) the aggregate value of all interested person transactions entered into with the same interested person during the same financial year, is equal to or more than Threshold 2. The aggregation will exclude any interested person transaction that has been approved by shareholders previously, or is the subject of aggregation with another interested person transaction that has been previously approved by shareholders.

For illustration purposes, based on the Group's latest audited accounts for FY2014, the Group's latest audited consolidated NTA as at 31 December 2014 was approximately S\$12.7 million. Accordingly, in relation to the Group, for the purposes of Chapter 9 in the current financial year, Shareholders' approval would be required where:

- (a) an interested person transaction is of a value equal to, or more than, approximately S\$636,000, being 5% of the Group's latest audited consolidated NTA; or
- (b) an interested person transaction, when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, approximately S\$636,000, being 5% of the Group's latest audited consolidated NTA. The aggregation will exclude any interested person transaction that has been approved by Shareholders previously, or is the subject of aggregation with another interested person transaction that has been approved by Shareholders.

Part VIII of Chapter 9 allows a listed company to seek a general mandate from its shareholders for recurrent interested person transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate granted by shareholders is subject to annual renewal.

Save for the Proposed Amendment, the rationale for the Interested Person Transactions Mandate, the scope of the Interested Person Transactions Mandate, the benefits to Shareholders, the classes of Interested Persons and the review procedures for Interested Person Transactions in respect of which the Interested Person Transactions Mandate is sought to be renewed remain unchanged since the Interested Person Transactions Mandate was approved at the 2014 EGM and are set out in Section 4 of this Circular.

### 2.5 Excluded Transactions

For the purposes of aggregation, under Rule 906 of the Listing Manual, interested person transactions below S\$100,000 each are to be excluded. The Interested Person Transactions as described in the Circular are normally of very small dollar value and practically most transactions are below S\$100,000 each.

Due to the high frequency and nature of some of the interested person transactions referred to in this Circular, the Company had, for good corporate governance, adopted a more stringent approach of managing its interested person transactions by including all transactions below S\$100,000 in the aggregation of its interested person transactions for (a) the OSPC Transactions and (b) the Bian Bee Transactions for the purposes of compliance with the Listing Manual.

## 2.6 Same Interested Person

Under Rule 908 of the Listing Manual, in interpreting the term “same interested person” for the purpose of aggregation as described in Sections 2.3 and 2.4 of this Circular, the following applies:

- (a) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and
- (b) if an interested person (which is a member of a group) is listed, its transactions with entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person has a board the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and has an audit committee whose members are completely different.

## 3. THE PROPOSED AMENDMENT

The existing Interested Person Transactions Mandate provided for the leasing of the St Thomas Premises from St Thomas by Global Residence. On 15 August 2011, Global Residence entered into the St Thomas Tenancy Agreement with St Thomas pursuant to which the St Thomas Premises was leased from St Thomas to Global Residence for a term of three (3) years from 16 October 2011 to 15 October 2014. The St Thomas Tenancy Agreement has since expired and has not been renewed.

As Global Residence does not intend to lease the St Thomas Premises from St Thomas, the St Thomas Tenancy Agreement was not renewed after it lapsed on 15 October 2014. Therefore, this transaction will no longer be covered by the Interested Person Transactions Mandate.

## 4. THE PROPOSED RENEWAL

### 4.1 Scope of the Revised Interested Person Transactions Mandate

The categories of Interested Person Transactions which will be covered by the Interested Person Transactions Mandate include the following:

#### 4.1.1 Provision of Agency Services and Back-end Support Services by OSPC

OSPC has, since 2005, provided the Agency Services and Back-end Support Services to the Winsta Group.

With the continued growth in its business of managing and operating of student hostels and serviced apartments, the Company anticipates that OSPC will continue to provide, and will provide more of such services to the Winsta Group. Given that the past OSPC Transactions have been beneficial to the Group, the Company believes that there are tangible benefits from continuing with this arrangement.

#### 4.1.2 Provision of goods by Bian Bee

Since 2011, the Winsta Group has been purchasing furniture and electrical appliances from Bian Bee.

With the expansion of the business of managing and operating student hostels and serviced apartments, the Company anticipates that going forward, the Group will continue to transact with Bian Bee and there will be an increase in purchase orders to Bian Bee.

#### 4.1.3 Leasing of the Mt Vernon Premises to Uni-House

Uni-House is in the business of providing hostel for students. As at the Latest Practicable Date, the shareholders of Uni-House are (i) Soh Kok Chye (“**Soh**”) (65%) and (ii) Gu Yue (“**Gu**”) (35%). Both Soh and Gu are unrelated to the Directors and the substantial shareholders of the Company.

On 20 March 2012, Katong HPL, a subsidiary of the Group, entered into the Uni-House Tenancy Agreement with Uni-House. Katong HPL is a wholly-owned subsidiary of Winsta and as such, the Company is effectively interested in 51% of the shareholdings of Katong HPL.

Pursuant to the Uni-House Tenancy Agreement, the Mt Vernon Premises were leased from Katong HPL to Uni-House from 1 March 2012 to 27 December 2014. The Uni-House Tenancy Agreement was subsequently renewed from 28 December 2014 to 27 December 2015.

Under the Uni-House Tenancy Agreement, as renewed, a monthly rental fee of S\$54,000 is payable to Katong HPL by Uni-House for the lease of the Mt Vernon Premises. The Company has appointed Ms. Sim Pei San, sister of Ms. Sim Pei Yee, the Company’s Executive Director, as the nominee of the Company on the board of directors of Uni-House. Ms. Sim Pei San is also currently a director of Katong HPL and Winsta. The appointment of Ms. Sim Pei San as director of Uni-House is on an executive basis.

Prior to the renewal of the Uni-House Tenancy Agreement, the monthly rental fee of S\$60,000 was payable to Katong HPL by Uni-House for the lease of the Mt Vernon Premises. Katong HPL had also been entitled to 30% of the NPAT of Uni-House, access to the accounts of Uni-House, and the right (but not the obligation) to appoint a nominee director on the board of directors of Uni-House. Notwithstanding the variation to the Uni-House Tenancy Agreement upon renewal, Ms. Sim Pei San remains as a nominee of the Company on the board of directors of Uni-House.

The Uni-House Tenancy Agreement was entered into on an arm’s length basis and commercially agreed to between the parties. The terms and value of the Uni-House Tenancy Agreement were arrived at after negotiations between Katong HPL and Uni-House. Under the Uni-House Tenancy Agreement, the Winsta Group would receive monthly rental. The factors that were taken into consideration when deciding on the terms and value of the Uni-House Tenancy Agreement were the business strategies and direction of the Winsta Group and the economies of scale in leasing the entire building to a single tenant.

#### 4.2 Classes of Interested Persons

The proposed Interested Person Transactions Mandate will apply to the transactions set out in Section 4.1 above, are proposed to be carried out with the following classes of Interested Persons:-

(a) OSPC

The associates of the Company’s Executive Director, Ms. Sim Pei Yee, being her immediate family members, collectively and directly hold 75% of the issued share capital of OSPC.

(b) Bian Bee

Ms. Sim Pei San is the sister of the Company’s Executive Director, Ms. Sim Pei Yee. Ms. Sim Pei San is deemed to be interested in the entire issued share capital of Bian Bee.

(c) Uni-House

Ms. Sim Pei San is the sister of our Executive Director, Ms. Sim Pei Yee. Ms. Sim Pei San is a director of Uni-House.

As such, OSPC, Bian Bee and Uni-House are deemed to be interested persons pursuant to Chapter 9 and any transaction between the Group and each of the Interested Persons will, subject to the exceptions provided in Chapter 9, be an interested person transaction.

#### 4.3 Rationale for the Interested Person Transactions Mandate

The rationale for the Interested Person Transactions Mandate remains unchanged from the 2014 Mandate and are as follows:

(a) Services or goods provided by OSPC and Bian Bee

Owing to the ongoing business relationship between the Group and each of OSPC and Bian Bee, it is envisaged that in the ordinary course of their businesses, transactions between the Group and OSPC and Bian Bee are likely to continue to occur from time to time. Such transactions will include, but are not limited to:-

- (i) provision of goods by Bian Bee; and
- (ii) provision of the Agency Services and Back-end Support Services by OSPC.

Due to the on-demand and recurrent nature of these interested person transactions, and it is likely that such transactions will occur with some degree of frequency and can arise at any time and from time to time, the obtaining of the Interested Person Transactions Mandate pursuant to Chapter 9 will enable the Group to, in the ordinary course of its business, enter into such interested persons transactions as set out above, provided such interested person transactions are undertaken on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

(b) Leasing of the Mt Vernon Premises to Uni-House

The arrangement with Uni-House under the Uni-House Tenancy Agreement and the utilisation of the Mt Vernon Premises as a boarding house provides synergy to the Winsta Group's business of managing and operating student hostels and serviced apartments as the Group is able to work with Uni-House in this new area of the hospitality industry to generate additional revenue for the Group.

In addition, the leasing of the entire buildings to Uni-House allows the Company to save on marketing and operating costs.

In addition, the Independent Directors of the Group are of the view that it would be beneficial to the Group to transact or continue to transact with the Interested Persons. As the Interested Persons Transactions will occur from time to time at differing intervals, the Interested Person Transactions Mandate and subsequent renewals on an annual basis will eliminate the need to prepare and convene separate general meetings on continual basis to seek prior approval for the entry into these transactions. This will reduce the time and expense which would otherwise be incurred to convene general meetings on *ad hoc* basis, and allow such resources and time to be channeled towards the Company's other objectives.

#### 4.4 Review Procedures for Interested Person Transactions

To ensure that the Interested Person Transactions are carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company has put in place the following procedures for the review and approval of Interested Person Transactions under the Interested Person Transactions Mandate:-

(a) Guidelines

The Audit Committee has worked with management to establish guidelines in relation to such transactions so as to enhance the Company's corporate governance and internal controls.

In respect of a renewal or revision of an existing transaction or if a new transaction is to be entered into pursuant to the Interested Person Transactions Mandate, the management will assess, for purposes of submitting a report to the Audit Committee, whether the existing terms, revised terms or the terms of the new transaction (as the case may be) are on normal commercial terms by adopting the procedures set out below. The lowest quotations or rates obtained (as the context may require) through these procedures would not necessarily

be adopted as the rates for the Interested Person Transactions but would be used as a benchmark to ascertain that the terms and rates used in such transactions with the Interested Person are at arm's length and on normal commercial terms.

(i) OSPC Transactions

For the serviced apartments Agency Services provided by OSPC, the commission rates payable by the Group to OSPC are reviewed yearly to ensure that they are consistent with normal commercial rates by comparing such rates against the commission rates charged by independent third party property agents.

The terms of at least two (2) other independent third party property agents shall be taken into consideration. Non-price factors such as length and nature of business relationship, potential for future repeat businesses and transaction volume shall also be taken into consideration.

For the student hostels Agency Services provided by OSPC, the commission rates payable by the Group to OSPC are reviewed yearly to ensure that they are consistent with normal commercial rates by comparing such rates against the commission rates paid by the Winsta Group to independent third party agents. The commission rates payable to OSPC shall not be more favourable than that paid to independent third party agents after taking into consideration all relevant factors.

For the Back-end Support Services provided by OSPC, the prices for the services shall not be less favourable to the Group than the most competitive price quoted by at least two (2) other independent third party service providers after taking into consideration non-price factors such as length and nature of business relationship, potential for future repeat business and transaction volume.

(ii) Lease to Uni-House

The rates and terms of leases to Uni-House shall be reviewed upon the termination of the existing agreement and prior to the entry into of a new lease agreement. In ascertaining the rentals for the lease, factors such as the available facilities, tenure of the lease, the area of the leased premises and any other relevant factors that may affect the rental rates or terms of the lease would be taken into consideration. The Company will also take into consideration the rental of similar properties in the same vicinity, if available. Details of the terms of the new lease agreement and the factors taken into consideration by the Company shall be presented to the Audit Committee for prior review and approval.

(iii) Provision of goods by Bian Bee

The Group shall obtain quotes from at least two (2) unrelated third parties for the pricing of similar furniture or electrical appliances. The purchase price of the furniture and electrical appliances shall not be less favourable to the Group than the most competitive price offered by unrelated third parties after taking into consideration non-price factors such as delivery requirements, provision of after-sales services, credit terms, quality and length of business relationship.

(b) Additional Review Procedures

If there are quotes/valuations obtained, an executive director of the Company (or any other person designated by the Audit Committee), together with the financial controller (or equivalent) of the Company, none of which are considered interested persons for the transaction, will evaluate whether the terms of the proposed interested person transaction is fair and reasonable and in the interests of the Group, taking into consideration factors including, but not limited to, the business plan, the Group's strategy and budget.

Where it is impractical or not possible for quotes/valuations to be obtained, an executive director of the Company and a member of the Audit Committee, together with the financial controller (or equivalent) of the Company, none of whom are not considered interested

persons for the transaction, will determine whether the terms of the proposed interested person transaction is fair and reasonable and in the interests of the Group, taking into consideration factors including but not limited to the business plan, the Group's strategy and budget.

(c) Periodic Review

All Interested Person Transactions pursuant to the Interested Person Transactions Mandate are reviewed by management on a semi-annual basis in accordance with the above procedure and the Company shall, on a semi-annual basis, report to the Audit Committee on all Interested Person Transactions, and the basis of such transactions, entered into with Interested Persons during the preceding half-year.

The Audit Committee will:-

- (i) review all Interested Person Transactions semi-annually to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders;
- (ii) carry out regular periodic reviews semi-annually to ascertain that the established guidelines and procedures for Interested Person Transactions under the Interested Person Transactions Mandate have been complied with;
- (iii) request for additional information pertaining to an Interested Person Transaction under review from independent sources, advisers or valuers as it deems fit;
- (iv) approve and/or ratify all the reports for all Interested Person Transactions to ensure that they comply with the internal control procedures; and
- (v) consider from time to time whether the established guidelines and procedures for the Interested Person Transactions have become inappropriate or are unable to ensure that the Interested Person Transactions will be transacted on normal commercial terms, and will not be on terms or conditions that would be prejudicial to the interests of the Company and/or its minority Shareholders.

The Audit Committee may from time to time modify the internal guidelines to adapt to the circumstances and/or businesses of the Group. If the Audit Committee is of the view that the established guidelines and procedures are no longer appropriate or adequate to ensure the Interested Person Transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from Shareholders based on new guidelines and procedures. During the period prior to obtaining a fresh mandate from the Shareholders, all Interested Person Transactions will be subject to prior review and approval by the Audit Committee.

(d) Internal / External Auditor

The Company's internal or external auditor shall review, on a semi-annual basis, all Interested Person Transactions entered into pursuant to the Interested Person Transactions Mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions had been adhered to. The internal or external auditor, as the case may be, shall report directly to our Audit Committee. The Company's annual internal audit plan will incorporate a review of such Interested Person Transactions entered into in the relevant financial year and report the results to the Audit Committee.

(e) Abstention from Participating in Review Process

If a member of the Audit Committee has an interest in an Interested Person Transaction, he shall abstain from participating in the review and approval process in relation to that Interested Person Transaction.



If a member of the Board has an interest in an Interested Person Transaction, he shall abstain from participating in the Company's internal review and approval process in relation to that Interested Person Transaction.

(f) Register of Interested Person Transactions

The Company maintains a register of Interested Person Transactions carried out with Interested Persons (recording the basis, including the quotations obtained to support such basis, on which they are entered into) pursuant to the proposed Interested Person Transactions Mandate.

The register of Interested Person Transactions is prepared, maintained and monitored by personnel of the Company (who shall not be interested in any of the Interested Person Transactions) who is duly delegated to do so by the Audit Committee and reviewed by the Company's external auditor.

**4.5 Validity Period of the Proposed Interested Person Transactions Mandate**

If approved at the forthcoming EGM, the renewal of the Interested Person Transactions Mandate will take effect from the date of the passing of the ordinary resolution to be proposed at the EGM and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the subsequent annual general meeting, or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier. The Company intends to seek the approval of Shareholders for the renewal of the Interested Person Transactions Mandate annually. The renewal of the Interested Person Transactions Mandate shall be subject to the satisfactory review by the Audit Committee of its continued application to the Interested Person Transactions.

**4.6 Disclosure to Shareholders in the Annual Report and Financial Statements**

Pursuant to Rule 920(1)(a) of the Listing Manual:-

- (a) disclosure will be made in the annual report of the Company, giving details of the aggregate value of all Interested Person Transactions conducted with Interested Persons pursuant to the Interested Person Transactions Mandate during the financial year under review and in the annual reports for the subsequent financial years during which the Interested Person Transactions Mandate is in force, as required by the provisions of the Listing Manual;
- (b) announcements will be made with regards to the aggregate value of Interested Person Transactions conducted pursuant to the Interested Person Transactions Mandate for the financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report; and
- (c) the names of the interested persons and the corresponding aggregate value of the interested person transactions will be presented in the following format (pursuant to Rule 907 of the Listing Manual):-

Name of interested person(s)	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the Interested Person Transactions Mandate)	Aggregate value of all Interested Person Transactions conducted under the Interested Person Transactions Mandate
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Due to the frequency and the nature of the Interested Person Transactions pursuant to the Interested Person Transactions Mandate, for good corporate governance, the Company will volunteer to report all Interested Person Transactions (including transactions less than S\$100,000), should the ordinary resolution in respect of the same be passed at the forthcoming EGM.

As the Winsta Group is a 51%-owned subsidiary of the Company, and its financial statements are consolidated at the Group level, in respect of interested person transactions with the Winsta Group, the Company shall, for good corporate governance, take the conservative approach that the amount at risk to the Company is 100% of the value of the transaction, even though under Rule 909 of the Listing Manual, the value of the transaction is based on the Company's effective interest of 51% of the Winsta Group.

## 5. AUDIT COMMITTEE'S STATEMENT

The Audit Committee (comprising Messrs Yap Kian Peng, Chin Yew Choong David, Dali Kumar Bin Sardar and Mr Wu Bingqing), having reviewed the Proposed Amendment and the Proposed Renewal and based on their evaluation of the review procedures adopted by the Company (as set out in Section 4.4 of this Circular), confirms that:

- (i) the methods and procedures for determining the transaction prices under Interested Person Transactions Mandate have not changed since the last Shareholders' approval of the revised Interested Person Transactions Mandate during the 2014 EGM; and
- (ii) the methods and procedures referred to in Section 4.4 above are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

As such, an independent financial adviser's opinion is not required for the Proposed Amendment to and the Proposed Renewal of the Company's Interested Person Transactions Mandate pursuant to Rule 920(1)(c) of the Listing Manual.

## 6. DIRECTORS' RECOMMENDATION

Having considered, *inter alia*, the terms, rationale and benefits of the Proposed Amendment to and the Proposed Renewal of the Interested Person Transactions Mandate, the Directors, other than Ms. Sim Pei Yee, are of the opinion that the Proposed Amendment to and the Proposed Renewal of the Interested Person Transactions Mandate is in the interest of the Company and recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Amendment to and the Proposed Renewal of the Interested Person Transactions Mandate as set out in the Notice of the EGM.

## 7. SHAREHOLDING INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and the substantial shareholders of the Company in the Shares as at the Latest Practicable Date are as set out below:

### Interests in Shares

	Direct interest		Deemed interest		Total interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>(a) Directors</b>						
Huang Wen-Lai	27,269,818	1.42	-	-	27,269,818	1.42
Sim Pei Yee	-	-	-	-	-	-
Dali Kumar @ Dali Bin Sardar	-	-	-	-	-	-
Chin Yew Choong David	-	-	-	-	-	-
Yap Kian Peng	-	-	-	-	-	-
Wu Bingqing	-	-	-	-	-	-



	Direct interest		Deemed interest		Total interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>(b) Substantial Shareholders</b>						
Chong Thim Peng, Winstedt	148,000,000	7.70	-	-	148,000,000	7.70
Li Li Ping	231,000,000	12.02	-	-	231,000,000	12.02
Wang Ming Liang	514,882,000	26.79	-	-	514,882,000	26.79

**Note:**

(1) The above percentages are calculated based on the total number of issued and paid-up ordinary shares in the capital of the Company of 1,921,637,787 as at the Latest Practicable Date.

## 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquires, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Amendment, the Proposed Renewal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

## 9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM are requested to complete and sign the proxy form which is attached to this Circular in accordance with the instructions printed thereon and return it to the Company's registered office at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807, as soon as possible and in any event so as to arrive at the Company's registered office not less than 48 hours before the time fixed for the holding of the EGM. The completion and return of the Proxy Form by a Shareholder will not preclude him from attending the EGM and voting in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, Shareholders who are interested persons and their associates shall abstain from voting on resolutions ratifying or approving, as may be applicable, interested person transactions involving themselves and each of the Interested Persons. Furthermore, such interested persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the Shareholder.

Accordingly, Ms. Sim Pei Yee and her associates, Ms Sim Pei San and Mr. Sim Poh Ping, shall abstain from voting on the resolution in respect of the Proposed Amendment to and the Proposed Renewal of the Interested Person Transactions Mandate at the EGM. As at the Latest Practicable Date, Ms. Sim Pei Yee and Ms. Sim Pei San do not hold any Shares in the Company.

Ms. Sim Pei Yee, Ms. Sim Pei San and Mr. Sim Poh Ping shall not accept nominations as proxy or otherwise vote at the EGM in respect of the Proposed Amendment to and the Proposed Renewal of the Interested Person Transactions Mandate unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes cast for the ordinary resolution.

#### **10. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on page 19 of this Circular, will be held at Level 3, 146 Robinson Road, Singapore 068909, on 28 April 2015 at 10.15 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10:00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without any modifications, the resolutions set out therein.

Shareholders are advised to read this Circular in its entirety and any Shareholder who may require advice in the context of his specific investment, is further advised to consult his bank manager, stockbroker, solicitor, accountant or other professional adviser.

#### **11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Company at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807, during normal business hours from the date of this Circular to the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the Annual Report of the Company for FY2014;

Yours faithfully

for and on behalf of the Board of Directors  
Huang Wen-Lai  
Executive Chairman  
13 April 2015

**M DEVELOPMENT LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200201764D)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (**EGM**) of the members of M Development Ltd. (the **Company**) will be held at Level 3, 146 Robinson Road, Singapore 068909 on 28 April 2015 at 10.15 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the company to be held at 10.00 a.m.) for the purpose of considering and, if thought fit, passing with or without any modifications the following ordinary resolution:-

**THE PROPOSED AMENDMENT TO AND RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE**

THAT:—

- (a) pursuant to Chapter 9 of the Listing Manual, approval be and is hereby given for the amendment to and renewal of the shareholders' general mandate (which was last renewed at the extraordinary general meeting of the Company held on 30 May 2014) for any of the Company, its subsidiaries and associated companies that is an "entity at risk" (as that term is used in Chapter 9 of the Listing Manual) to enter into the Interested Person Transactions with one or more of the Interested Persons as described in Sections 3 and 4 of the circular of the Company dated 13 April 2015 (**Circular**), provided that such transactions are made on normal commercial terms which are not prejudicial to the interests of the Company and its minority Shareholders and are in accordance with the review procedures for such Interested Person Transactions;
- (b) the Directors be and are hereby authorised to complete and to do all acts and things (including but not limited to the execution of all such agreements and documents as may be required) as they/he/she may consider necessary, desirable, expedient or in the interests of the Company to give effect to this resolution; and
- (c) the authority conferred by this resolution shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

By Order of the Board

Huang Wen-Lai  
Executive Chairman

Singapore, 13 April 2015

Notes:-

- (a) A Member of the Company entitled to attend and vote at the above EGM may appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member and where there is more than one proxy, the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy must be stated.
- (a) The instrument appointing a proxy shall, in the case of an individual, be signed by the appointer or his attorney, and in the case of a Corporation shall be either under the Common Seal or signed by its attorney or an officer on behalf of the Corporation.
- (b) The instrument appointing a proxy must be deposited at the registered office of the Company at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807, not less than forty-eight (48) hours before the time for holding the meeting.

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# M Development Ltd.

(Company Registration Number: 200201764D)

## IMPORTANT

1. For investors who have used their CPF monies to buy the Company's ordinary shares, this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

## PROXY FORM

(Please see notes overleaf before completing this Form)

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/members of M Development Ltd. (the "Company"), hereby appoint:

Name	NRIC / Passport Number	Proportion of Shareholdings	
Address		No. of Shares	%

and/or (delete as appropriate)

Name	NRIC / Passport Number	Proportion of Shareholdings	
Address		No. of Shares	%

or failing him/her, the Chairman of the extraordinary general meeting ("EGM") as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM of the Company to be held at Level 3, 146 Robinson Road, Singapore 068909 on 28 April 2015 at 10.15 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10:00 a.m. on the same day and at the same place) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for the Ordinary Resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided )

NO.	ORDINARY RESOLUTION	FOR	AGAINST
1	<b>THE PROPOSED AMENDMENT TO AND RENEWAL OF THE INTERESTED PERSON TRANSACTIONS MANDATE</b>		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
*Signature of Shareholder(s) or,  
Common Seal of Corporate Shareholder*

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**



**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807, not less than 48 hours before the time appointed for the EGM.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

**Personal data privacy:**

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any EGM laws, listing rules, regulations and/or guidelines (collectively, the **Purposes**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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