M DEVELOPMENT LTD
(Company Registration No. 200201764D)

Unaudited Half Year Financial Statement and Dividend Announcement for the period ended 30 June 2018

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 18 to 30 Jun 18 S$'000	1 Jan 17 to 30 Jun 17 S$'000	Increase / (Decrease) %
Revenue	285	2	n.m.
Cost of sales	(274)	–	n.m.
Gross profit	11	2	
Other income	1	4	(75)
General and administrative expenses	(1,213)	(647)	87
Loss before tax	(1,201)	(641)	
Income tax expense	–	–	nm
Loss for the period	(1,201)	(641)	
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	25	(61)	
Total comprehensive income	(1,176)	(702)	
Loss for the period attributable to:			
Owners of the Company	(1,200)	(639)	
Non–controlling interests	(1)	(2)	
	(1,201)	(641)	
Total comprehensive income attributable to:			
Owners of the Company	(1,175)	(700)	
Non-controlling interests	(1)	(2)	
	(1,176)	(702)	

(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		Company	
	30 Jun 18 S$'000	31 Dec 17 S$'000	30 Jun 18 S$'000	31 Dec 17 S$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	–	–	147	147
Total non-current assets	–	–	147	147
Current assets				
Trade receivables	163	370	–	–
Deposits	13	382	13	382
Prepayments	6	7	6	7
Cash and bank balances	6,669	6,742	5,350	5,801
Total current assets	6,851	7,501	5,369	6,190
Total assets	6,851	7,501	5,516	6,337
LIABILITIES				
Current liabilities				
Trade payables	158	–	–	–
Other payables and accruals	1,351	983	461	94
Total current liabilities	1,509	983	461	94
Net current assets	5,342	6,518	4,908	6,096
EQUITY				
Share capital	46,226	46,226	46,226	46,226
Accumulated losses	(39,347)	(38,147)	(41,171)	(39,983)
Foreign currency translation reserve	46	21	–	–
	6,925	8,100	5,055	6,243
Non-controlling interests	(1,583)	(1,582)	–	–
	5,342	6,518	5,055	6,243
Total liabilities and equity	6,851	7,501	5,516	6,337

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

As at 30 June 2018 and 31 December 2017, the Group have no borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 Jun 18		As at 31 Dec 17	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 30 Jun 18		As at 31 Dec 17	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	Nil	Nil	Nil

Details of any collateral

As at 30 June 2018, the Group have no loans payable.

(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 18 to 30 Jun 18 S$'000	1 Jan 17 to 30 Jun 17 S$'000
Operating activities		
Loss before tax	(1,201)	(641)
Adjustments for:		
Depreciation of property, plant and equipment	–	1
Interest income	(5)	(2)
Operating cash flows before changes in working capital	(1,206)	(642)
Changes in working capital		
Decrease in trade receivables	207	–
Decrease in other receivables and deposits	369	11
Decrease/(increase) in prepayments	1	(1)
Increase in trade payables	158	–
Increase/(decrease) in other payables and accruals	368	(296)
Cash flows used in from operations	(103)	(928)
Interest received	5	2
Tax paid	–	(21)
Net cash flows used in operating activities	(98)	(947)
Net decrease in cash and cash equivalents	(98)	(947)
Effect of exchange rate changes	25	(60)
Cash and cash equivalents at beginning of the period	6,742	9,781
Cash and cash equivalents at end of the period	6,669	8,774

(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.

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital S$'000	Accumulated losses S$'000	Foreign currency translation reserve S$'000	Total S$'000	S$'000	S$'000
GROUP						
Balance as at 1 Jan 18	46,226	(38,147)	21	8,100	(1,582)	6,518
Total comprehensive income for the period	–	(1,200)	25	(1,175)	(1)	(1,176)
Balance as at 30 Jun 18	46,226	(39,347)	46	6,925	(1,583)	5,342
Balance as at 1 Jan 17	46,226	(36,192)	119	10,153	(1,580)	8,573
Total comprehensive income for the period	–	(639)	(61)	(700)	(2)	(702)
Balance as at 30 Jun17	46,226	(36,831)	58	9,453	(1,582)	7,871

	Share capital S$'000	Accumulated losses S$'000	Total equity S$'000
COMPANY			
Balance as at 1 Jan 18	46,226	(39,983)	6,243
Total comprehensive income for the period	–	(1,188)	(1,188)
Balance as at 30 Jun 18	46,226	(41,171)	5,055
Balance as at 1 Jan 17	46,226	(38,000)	8,226
Total comprehensive income for the period	–	(636)	(636)
Balance as at 30 Jun 17	46,226	(38,636)	7,590

(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 2017).

(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 18 Number of ordinary shares	31 Dec 17 Number of ordinary shares
Balance at beginning and end of period	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.

Except as disclosed in Paragraph 5 below regarding the adoption of the Singapore Financial Reporting Standards (International), there were no further changes in accounting policies and methods of computation adopted in the financial statements of the current reporting period as compared to the most recently audited annual financial statements as at 31 December 2017.

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.

For annual financial period beginning on or after 1 January 2018, Singapore incorporated companies listed on the SGX-ST will apply Singapore Financial Reporting Standards (International) (SFRS(I)), a new financial reporting framework identical to International Financial Reporting Standards. The Group has adopted SFRS(I) on 1 January 2018.

The adoption of SFRS(I), amendments and interpretations did not result in any significant change to the Group's accounting policies or any significant impact on the financial statements of the Group.

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 18	30 Jun 17
Loss attributable to ordinary shareholders (S$'000)	(1,200)	(639)
Weighted average and fully diluted ordinary shares for the purpose of calculating basic loss per share ('000)	1,921,638	1,921,638
Loss per share (cents)	(0.06)	(0.03)

(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 years ended 30 June 2018 and 31 December 2017.

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		Company	
	30 Jun 18	31 Dec 17	30 Jun 18	31 Dec 17
Net asset value per ordinary share (cents)	0.28	0.34	0.26	0.32

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.

Statement of Comprehensive Income

The Group recorded revenue of $285,000 for 1H2018 as compared to revenue of $2,000 for the same period in 2017. The revenue in 1H2018 was mainly derived from the trading activities.

General and administrative expenses(1) increased by $566,000 mainly due to higher professional fees of $0.8 million (1H2017 : $0.2 million) incurred for the Litigation(2). The trial of the Litigation was concluded and the professional fees incurred for the services were recorded in 1st quarter 2018.

The Group recorded a net loss of S$1,176,000 for 1H2018 as compared to a net loss of S$702,000 for the same period in 2017. The increase in net loss was mainly due to higher professional fees as mentioned above.

Note 1 : General and administration expenses

	1 Jan 18 to 30 Jun 18 S$'000	1 Jan 17 to 30 Jun 17 S$'000	Increase / (Decrease) %
Accounting fees	7	7	–
Audit fees	36	38	(5)
Corporate expenses	27	27	–
Secretarial fees	13	15	(13)
Professional fees relating to Litigation	803	222	262
Other professional fees	–	4	n.m.
Directors' fees	75	75	–
Directors' remuneration & CPF	98	98	–
Staff expenses	86	106	(19)
Other expenses	68	55	24
General and administrative expenses	1,213	647	87

Note 2 :

Litigation refers to the on-going litigation which was previously announced by the Company.

Statements of Financial Position

Group

Current assets decreased by $650,000 mainly due to lower trade receivables, the utilization of deposits paid to the professional firm relating to Litigation and reduction of cash used for payments of its expenses.

Current liabilities increased by $526,000 mainly due to increase in trade and other payables and accruals. This was in line with higher professional fees incurred during the period.

Company

Current assets decreased by $821,000 mainly due to the utilization of deposits paid to the professional firm relating to the Litigation and reduction of cash used for payments of its expenses.

Current liabilities increased by $367,000 mainly due to increase in other payables and accruals. This was in line with higher professional fees incurred during the period.

Statement of Cash Flows

The Group reported a net cash outflow of $98,000 used in operating activities for expenses incurred.

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 trial of the Litigation was concluded on 23 February 2018 and judgement was reserved by the High Court. As at the date of this announcement, the High Court has yet to hand down its judgment in the Litigation and the Company will make timely announcement, when applicable.

The Group has continued its trading business and has incorporated a wholly owned subsidiary in Xiamen for the purpose of trading in greater China. Trading in greater China commenced in July 2018.

The Board and management continue to look for more business for the Group. The Group is currently evaluating several proposals and will make appropriate announcement in due course.

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.

There are no IPT mandate during the financial period.

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 2018 to be false or misleading in any material respect.

15 Undertakings confirmation pursuant to Rule 720 (1) of the listing manual.

The Board of Directors of the Company hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

BY ORDER OF THE BOARD

Huang Wen-Lai
Executive Chairman

Li Liping
Executive Director

13 August 2018