Development Limited

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

RESPONSE TO SGX QUERY REGARDING ANNOUNCEMENTS DATED 7 SEPTEMBER 2018 AND 9 NOVEMBER 2018

M Development Ltd ("**Company**") has on 14 November 2018 received a query from the Singapore Exchange Limited ("**SGX-ST**") in relation to (i) the announcement dated 7 September 2018 on the proposed acquisition by the Company of no less than 51% of the issued and paid-up share capital in Hao Yuan Leather (Taishan) Co., Ltd from H.Y. Holdings Limited ("**Proposed Transaction**"); and (ii) the announcement dated 9 November 2018 on the Company's quarterly update pursuant to rule 1313(2) of the Listing Manual ("**Announcements**"). The Board of Directors of the Company sets out its response to the query below.

Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the Announcements.

SGX-ST's Query:

On 7 September 2018, the Company announced that it has entered into a non-binding memorandum of understanding in relation to the proposed acquisition by the Company of no less than 51% of the issued and paid-up share capital in Hao Yuan Leather (Taishan) Co., Ltd from H.Y. Holdings Limited (the "Proposed Transaction").

On 9 November 2018, the Company announced its quarterly update pursuant to Listing Rule 1313(2). The update did not include the status of the Proposed Transaction. Please also provide an update on the status of the Proposed Transaction.

The Company's Response:

Following the signing of the MOU on 15 August 2018, the Company had entered into discussions and negotiations with the Vendor with the view to execute a definitive sale and purchase agreement in respect of the Proposed Transaction.

After further due diligence and negotiations, the Company and the Vendor have mutually agreed not to proceed with the Proposed Transaction, and have ceased discussions in relation to the Proposed Transaction.

The Company is considering all available options and will, in compliance with the relevant requirements under the Listing Manual, make further announcement(s) to update Shareholders on any material developments.

BY ORDER OF THE BOARD
M DEVELOPMENT LIMITED

Huang Wen-Lai
Executive Chairman and Director
28 November 2018