



Development Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 200201764D)

UPDATE ON NOTIFICATION OF INTERNAL AUDIT OF SUBSIDIARIES, SUSPENSION OF EXECUTIVE FUNCTIONS, AND APPOINTMENT OF NEW MANAGING AGENTS

The Board of Directors of M Development Ltd (the “Company”) refers to its previous announcements made on 9 April 2015 and 5 May 2015 relating to an ongoing internal audit of its subsidiary, Winsta Holding Pte Ltd, and its group of companies (collectively referred to as “Winsta Group”), conducted by the accounting firm of Messrs KordaMentha Pte Ltd (“KordaMentha”).

KordaMentha has yet to complete its review but has provided an interim report on their preliminary findings, supplemented by information obtained from interviews with staff of Winsta Group. The interim report highlighted a series of undisclosed interested party transactions.

The Board of Directors of the Winsta Group has taken the view that these undisclosed interested party transactions, and other acts uncovered in the course of the review, constitute actionable wrongs and breaches of duties on the part of certain executive directors and officers of the Winsta Group.

Accordingly, Winsta Group commenced legal proceedings in the High Court of the Republic of Singapore after close of trading on 20 May 2015 against a total of thirteen defendants, including Ms Sim Pei Yee, a former director of the Company, as well as persons and entities related to Ms Sim.

Winsta Group will be taking steps to suspend all executive functions of Ms Sim, as well as the other executive directors and officers who have been named co-defendants in the legal proceedings.

Separately, the Winsta Group is in the process of appointing a professional management agent to assist in the operations of the Winsta Group.

The Company would like to notify all its shareholders and business partners that utmost care will be taken to ensure that the business and operations of the Company are not affected by the ongoing matters.

BY ORDER OF THE BOARD
M DEVELOPMENT LIMITED

Huang Wen-Lai
Executive Chairman and Director
21 May 2015