M DEVELOPMENT LTD
(Company Registration No. 200201764D)

Unaudited Half Year Financial Statement and Dividend Announcement for the period ended 30 June 2016

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 16 to 30 Jun 16 S$'000	1 Jan 15 to 30 Jun 15 S$'000	Increase / (Decrease) %
Continuing operations			
Revenue	349	347	1%
Gross profit	349	347	1%
Other operating income	28	100	-72%
Administrative expenses	(700)	(663)	6%
Other operating expenses	(308)	(196)	57%
Loss before income tax	(631)	(412)	
Income tax expense	17	-	NM
Loss for the period from continuing operations, net of tax	(614)	(412)	
Discontinued operations			
Loss from discontinued operations	-	(3,598)	
Total loss for the period from discontinued operations	(614)	(4,010)	
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	(52)	-	
Total comprehensive loss	(666)	(4,010)	
Attributable to			
Owners of the Company			
Loss for the year attributable to owners of the Company	(496)	(2,069)	
Non-controlling interests			
Loss for the year attributable to non-controlling interests	(118)	(1,941)	
	(614)	(4,010)	

(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 30 Jun 16 S$'000	Group 31 Dec 15 S$'000	Company 30 Jun 16 S$'000	Company 31 Dec 15 S$'000
ASSETS				
Non-current assets:				
Property, plant and equipment	1	2	1	-
Investment in subsidiaries	-	-	159	159
Total non-current assets	**1**	**2**	**160**	**159**
Current assets:				
Other receivables and deposits	197	202	197	202
Loan receivable	7,000	7,000	7,000	7,000
Income tax recoverable	-	12	-	-
Amount due from subsidiaries	-	-	226	-
Cash and cash equivalents	3,050	3,735	1,710	2,334
Total current assets	10,247	10,949	9,133	9,536
Total assets	**10,248**	**10,951**	**9,293**	**9,695**
LIABILITIES				
Current liabilities:				
Trade payables	328	334	-	-
Other payables and accruals	956	987	120	145
Income tax payable	49	49	49	49
Total current liabilities	**1,333**	**1,370**	**169**	**194**
EQUITY				
Share capital	46,226	46,226	46,226	46,226
Foreign currency translation reserve	30	82	-	-
Accumulated losses brought forward	(35,133)	(33,184)	(36,725)	(32,895)
Loss for the period/year	(496)	(1,949)	(377)	(3,830)
Accumulated losses	(35,629)	(35,133)	(37,102)	(36,725)
Total equity attributable to the owners of the Company	10,627	11,175	9,124	9,501
Non-controlling interests	(1,712)	(1,594)	-	-
Total Equity	**8,915**	**9,581**	**9,124**	**9,501**
Total liabilities and equity	**10,248**	**10,951**	**9,293**	**9,695**

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

Amount repayable in one year or less, or on demand

As at 30 Jun 2016		As at 31 Dec 2015	
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 2016		As at 31 Dec 2015	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	Nil	Nil	Nil

Details of any collateral

As at 30 June 2016, the Group has 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 16 to 30 Jun 16 S$'000	1 Jan 15 to 30 Jun 15 S$'000
Cash flows from operating activities		
Loss from continuing activities, before tax	(631)	(412)
Loss from discontinued activities, before tax	-	(3,602)
	(631)	(4,014)
Adjustments for:		
Depreciation of property, plant and equipment	1	323
Provisions	-	1,892
Interest expense	-	28
Interest income	-	(18)
Operating cash flows before changes in working capital	(630)	(1,789)
Changes in working capital:		
Trade receivables	-	5,431
Other receivables and deposits	5	89
Prepayments	-	18
Amounts due from related companies	-	6,441
Trade payables	(6)	(7,394)
Other payables and accruals	(31)	(2,735)
Cash flows (used in)/generated from operations	(662)	61
Interest paid	-	(28)
Interest received	-	18
Tax refund/(paid)	29	(27)
Net cash flows (used in)/generated from operations	(633)	25
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(11)
Net cash flows used in investing activities	-	(11)
Cash flows from financing activities		
Proceeds from loans and borrowings	-	665
Repayment of loans and borrowings	-	(1,112)
Net cash flows used in financing activities	-	(447)
Net decrease in cash and cash equivalents	(633)	(433)
Effect of exchange rate changes	(52)	-
Cash & cash equivalents at beginning of the period	3,735	5,546
Cash & cash equivalents at end of the period	**3,050**	**5,113**

(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.

GROUP

30 Jun 2016

Group statement of changes in equity	Share capital	Foreign currency translation reserve	Accumulated losses	Total attributable to owners of the Company	Non-controlling interest	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 Jan 2016	46,226	82	(35,133)	11,175	(1,594)	9,581
Total comprehensive loss for the year	-	(52)	(496)	(548)	(118)	(666)
Balance at 30 Jun 2016	46,226	30	(35,629)	10,627	(1,712)	8,915

30 Jun 2015

Group statement of changes in equity	Share capital	Foreign currency translation reserve	Accumulated losses	Total attributable to owners of the Company	Non-controlling interest	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 Jan 2015	46,226	(1)	(33,184)	13,041	(313)	12,728
Total comprehensive income/(loss) for the year	-	-	(2,069)	(2,069)	(1,941)	(4,010)
Balance at 30 Jun 2015	46,226	(1)	(35,253)	10,972	(2,254)	8,718

COMPANY

30 Jun 2016

Company statement of changes in equity	Share capital	Foreign currency translation reserve	Accumulated losses	Total attributable to owners of the Company	Non-controlling interest	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 Jan 2016	46,226	-	(36,725)	9,501	-	9,501
Total comprehensive loss for the year	-	-	(377)	(377)	-	(377)
Balance at 30 Jun 2016	46,226	-	(37,102)	9,124	-	9,124

30 Jun 2015

Company statement of changes in equity	Share capital	Foreign currency translation reserve	Accumulated losses	Total attributable to owners of the Company	Non-controlling interest	Total Equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 Jan 2015	46,226	-	(32,895)	13,331	-	13,331
Total comprehensive loss for the year	-	-	(4,145)	(4,145)	-	(4,145)
Balance at 30 Jun 2015	46,226	-	(37,040)	9,186	-	9,186

(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 2015).

(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-16	31-Dec-15
Total number of issued shares	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.

Yes.

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.

Not applicable.

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 2016	31 Dec 2015
Loss attributable to ordinary shareholders (S$'000)	(496)	(1,949)
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)	(0.03)	(0.10)

(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 2016 and 31 December 2015.

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	Group	Company	Company
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Net asset value per ordinary share (cents)	0.46	0.50	0.47	0.49

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

On 3 August 2015 and 4 August 2015, the subsidiaries of Winsta Holding Pte Ltd ("Winsta Holding") have been placed under creditors' voluntary liquidation. As such, the performances of Winsta Holding's subsidiaries for 1H2015 have been classified as discontinued operations.

For the six months ended 30 June 2016, the revenue of the Group has increased from S$347,000 to $349,000, representing the interest income derived from the loan receivable of S$7,000,000.

Other operating income has decreased by S$72,000 due to currency exchange losses from fluctuating exchange rates.

Administrative and other operating expenses have increased by S$112,000 mainly due to increase in professional and legal fees incurred in relation to the legal proceedings commenced by Winsta Holding.

Statement of Financial Position

Current assets have decreased by S$702,000 mainly due to the reduction of cash used for payments of its expenses.

Current liabilities have decreased by S$37,000 mainly due to the payment of trade and other payables such as accrued staff bonus for FY2015 and corporate expenses.

Statement of Cash Flows

The Group reported a net cash of S$633,000 used in operating activities which mainly comprises of professional fees and corporate expenses.

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 Group will continue to explore new business opportunities.

In relation to the legal suits commenced by Winsta Holding, they are still ongoing as at the date of this announcement.

The Company will make further announcements where appropriate.

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.

Not applicable.

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 2016 to be false or misleading in any material respect.

15 Undertakings confirmation pursuant to Rule 720(1)

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
5 August 2016

Li Liping
Executive Director