Development Limited

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

UPDATE ON NOTIFICATION OF INTERNAL AUDIT OF SUBSIDIARIES

The Board of Directors of M Development Ltd (the "Company") refers to its previous announcements made on 21 May 2015 and 18 September 2015 regarding litigation commenced by its subsidiary, Winsta Holding Pte Ltd, and its seven subsidiaries (collectively referred to as "Winsta Group") in the High Court of the Republic of Singapore 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.

The Company also refers to its announcements made on 26 July 2015 and 4 August 2015 notifying that all seven subsidiaries of Winsta Holding Pte Ltd have been placed in creditors' voluntary liquidation with effect from 3 and 4 August 2015.

The liquidators have informed the creditors of the seven subsidiaries that there are insufficient funds to prosecute the litigation. The creditors have declined to provide funding for this purpose.

The Company is of the view that it would be in the interests of its shareholders and other stakeholders for the litigation to be prosecuted vigorously against the thirteen defendants, including Ms Sim, notwithstanding the liquidation of the Winsta Group subsidiaries.

Accordingly, the Company wishes to update that it has entered into a Deed of Sale and Assignment dated 29 October 2015 with the appointed liquidators of the seven subsidiaries in the Winsta Group to purchase their causes of action against these thirteen defendants.

The Company will be taking steps to vigorously prosecute the litigation and will make further updates as appropriate.

BY ORDER OF THE BOARD
M DEVELOPMENT LIMITED

Huang Wen-Lai
Executive Chairman and Director
30 October 2015