M DEVELOPMENT LTD
(Company Registration No. 200201764D)

Unaudited Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2020

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 immediately preceding financial year.

	1 Jan 20 to 31 Dec 20 S$'000	1 Jan 19 to 31 Dec 19 S$'000	Increase / (Decrease) %
Revenue	40	6	567
Cost of sales	–	–	n.m.
Gross profit	40	6	567
Other income	1,874	2,275	(18)
General and administrative expenses	(1,566)	(792)	98
Profit before tax	348	1,489	
Income tax expense	–	–	n.m.
Profit for the year	348	1,489	
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	–	(3)	
Foreign currency translation reserve transfer to profit or loss	(43)	–	
Total comprehensive income	305	1,486	
Profit for the year attributable to:			
Owners of the Company	338	1,491	
Non-controlling interests	10	(2)	
	348	1,489	
Total comprehensive income attributable to:			
Owners of the Company	295	1,488	
Non-controlling interests	10	(2)	
	305	1,486	

(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	
	31 Dec 20 S$'000	31 Dec 19 S$'000	31 Dec 20 S$'000	31 Dec 19 S$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	–	–	–	142
Total non-current assets	–	–	–	142
Current assets				
Right-of-use asset	–	28	–	28
Other receivables	412	–	412	–
Deposits	–	10	–	6
Prepayments	3	3	3	3
Cash held with the Company's lawyer	–	2,275	–	2,275
Cash and cash equivalents	2,862	934	2,862	730
Total current assets	3,277	3,250	3,277	3,042
Total assets	3,277	3,250	3,277	3,184
LIABILITIES				
Current liabilities				
Lease liability	–	27	–	27
Other payables and accruals	1,032	1,222	174	332
Loan from a director	–	37	–	–
Total current liabilities	1,032	1,286	174	359
Net current assets	2,245	1,964	3,103	2,683
EQUITY				
Share capital	41,806	41,806	41,806	41,806
Accumulated losses	(37,961)	(38,299)	(38,703)	(38,981)
Foreign currency translation reserve	–	43	–	–
	3,845	3,550	3,103	2,825
Non-controlling interests	(1,600)	(1,586)	–	–
	2,245	1,964	3,103	2,825
Total equity and liabilities	3,277	3,250	3,277	3,184

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

Loan from a director

As at 31 December 2019, the Group had total borrowings of approximately S$37k (equivalent to RMB185k) relating to a loan provided from a director. This loan was interest-free and repayable on demand. No repayment (2019: repaid S$83k) was made during the year. The loan was with a subsidiary which was disposed in 1H2020.

Loan from a third party

As previously announced, the Group took up a loan from a third party to pay for professional fees relating to the Reverse Takeover exercise of Antai Mining International Holdings Company Limited ("**RTO**"). The loan was unsecured, had an interest rate of 30% per annum, and was fully repaid on 31 December 2020.

Amount repayable in one year or less, or on demand

As at 31 Dec 20		As at 31 Dec 19	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	Nil	Nil	37

Amount repayable after one year

As at 31 Dec 20		As at 31 Dec 19	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	Nil	Nil	Nil

(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	1 Jan 20 to 31 Dec 20 S$'000	1 Jan 19 to 31 Dec 19 S$'000
Operating activities		
Profit before tax	348	1,489
Adjustments for:		
Other income	(90)	(2,275)
Interest income	(40)	(6)
Depreciation of right-of-use asset	34	37
Interest expense	307	2
Total adjustments	211	(2,242)
Operating cash flows before changes in working capital	559	(753)
Changes in working capital		
(Increase)/decrease in trade and other receivables	(412)	116
Decrease/(increase) in deposits	6	(3)
Decrease in cash held with the Company's lawyer	2,275	–
Decrease in trade payables	–	(116)
(Decrease)/increase in other payables and accruals	(179)	153
Cash flows generated from/(used in) from operations	2,249	(603)
Interest received	40	6
Interest paid	(307)	(2)
Net cash flows generated from/(used in) operating activities	1,984	(599)
Financing activities		
Repayment of proceeds from loan from a director	–	(83)
Cash distribution to shareholders	–	(4,420)
Payment of principal portion of lease liability	(34)	(38)
Net cash flows used in financing activities	(34)	(4,541)
Investing activity		
Liquidation of subsidiaries, net of cash disposed of	(21)	–
Net cash flows used in investing activity	(21)	–
Net increase/(decrease) in cash and cash equivalents	1,928	(5,140)
Effect of exchange rate changes	–	(3)
Cash and cash equivalents at beginning of the year	934	6,077
Cash and cash equivalents at end of the year	2,862	934

(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 19	46,226	(38,790)	46	6,482	(1,584)	4,898
Total comprehensive income for the year	–	1,491	(3)	1,488	(2)	1,486
Capital reduction	(4,420)	–	–	(4,420)	–	(4,420)
Balance as at 31 Dec 19 and 1 Jan 20	41,806	(38,299)	43	3,550	(1,586)	1,964
Total comprehensive income for the year	–	338	(43)	295	10	305
Disposal of subsidiary	–	–	–	–	(24)	(24)
Balance as at 31 Dec 20	41,806	(37,961)	–	3,845	(1,600)	2,245

	Share capital S$'000	Accumulated losses S$'000	Total equity S$'000
COMPANY			
Balance as at 1 Jan 19	46,226	(41,583)	4,643
Total comprehensive income for the year	–	2,602	2,602
Capital reduction	(4,420)	–	(4,420)
Balance as at 31 Dec 19 and 1 Jan 20	41,806	(38,981)	2,825
Total comprehensive income for the year	–	278	278
Balance as at 31 Dec 20	41,806	(38,703)	3,103

(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2019).

(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.

	31 Dec 20 Number of ordinary shares	31 Dec 19 Number of ordinary shares
Balance at beginning and end of year	1,921,637,787	1,921,637,787

(d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 modifications 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:-

(a) On weighted average number of ordinary shares (excluding treasury shares).

	31 Dec 20	31 Dec 19
Profit attributable to ordinary shareholders (S$'000)	338	1,491
Weighted average and fully diluted ordinary shares for the purpose of calculating basic profit per share ('000)	1,921,638	1,921,638
Profit per share (cents)	0.02	0.08

(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 31 December 2020 and 31 December 2019.

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	
	31 Dec 20	31 Dec 19	31 Dec 20	31 Dec 19
Net asset value per ordinary share (cents)	0.12	0.10	0.16	0.15

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

(i) Other income (decreased by S$401k) –

	1 Jan 20 to 31 Dec 20 S$'000	1 Jan 19 to 31 Dec 19 S$'000	Increase / (Decrease) S$'000
Damages awarded from Lawsuit [(1)]	1,736	2,275	(539)
Government grant	48	–	48
Gain on disposal of subsidiaries	90	–	90
Other income	1,874	2,275	(401)

Note 1: The Lawsuit refers to litigation and appeal which was previously announced by the Company.

In 1H2020, the Lawsuit concluded and the Company was awarded additional S$1,736k in damages, costs and disbursements (collectively known as "Damages") on top of the S$2,275k awarded in FY2019. The Damages, agreed with the Defendants, will be paid over 11 monthly instalments starting from 8 May 2020. Unpaid Damages earns post-judgement interest of 5.33% per annum. As at 31 December 2020, S$412k of Damages remains outstanding.

The decrease was partially offset by S$48k of grants received from the government, and $90k gain on disposal of subsidiaries[(2)].

Note 2: The Company disposed subsidiaries M Strategic Investment Ltd and Ally Cypress (Xiamen) Limited in as previously announced in 1H2020. In 2H2020, subsidiaries United Force Development (S) Pte. Ltd. and United Force Trading Pte. Ltd. were struck off the Register under the Companies Act.

(ii) Revenue (increased by S$34k) – Revenue in FY2019 and FY2020 relates to interest income. FY2020 includes 5.33% per annum interest earned on the outstanding Damages, equivalent to S$37k.

(iii) General and administrative expenses (increased by S$774k) – The increase was mainly due to RTO expenses of S$822k and loan interest expenses of S$307k. This was partially offset by a decrease in legal fees relating to the Lawsuit of S$178k, decrease in director fees/remuneration of $54k and decrease in $57k of professional fees in relation to last year's capital reduction exercise.

(iv) The Group recorded a net gain of S$348,000 for FY2020 as compared to $1,489,000 for FY2019. The decrease in net gain was mainly due to higher professional fees as mentioned above.

Statements of Financial Position

(i) Other receivables – The balance as at year end mainly relates to outstanding Damages, which will be fully repaid by 1H2021.

(ii) Cash held with the Company's lawyer – Cash held with the Company's lawyer was returned to the Company in 1H2020.

(iii) Other payables and accruals – The decrease is mainly due to reversal of provision of legal fees in relation to the Lawsuit, as they were paid in 2H2020.

Statement of Cash Flows

The Group reported a net increase in cash and cash equivalents of S$1,928k. The increase was mainly due to S$2,275k received from the Company's lawyer, and S$1,360k of Damages (including interest) received.

The increase was partially offset payments for RTO expenses (including loan interest), operations and legal fees relating to the Lawsuit.

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 Board refers to its announcement dated 18 October 2020, 12 November 2020 and 2 December 2020, on the exit offer and delisting proposal. The Company had, on 30 November 2020, received confirmation from the SGX-ST to proceed with the Proposed Members' Voluntary Liquidation.

As set out in the November Announcement, for the purpose of the Proposed Members' Voluntary Liquidation, the Company will be convening an extraordinary general meeting ("EGM") to seek the approval of Shareholders in relation to, among others, the Proposed Members' Voluntary Liquidation. A circular to Shareholders containing further details of the Proposed Members' Voluntary Liquidation and the notice of the EGM will be despatched to Shareholders in due course.

The Company will make the appropriate announcements as and when there are any material developments (including but not limited to, the Company's plans, milestones and timeline to comply with the requirements relating to the Exit Offer and the delisting of the Company).

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 and the reason(s) for the decision.

No dividend has been declared or recommended.

All excess cash will be distributed during the Proposed Members' Voluntary Liquidation .

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 is no IPT mandate during the financial year.

14 Negative assurance confirmation under the SGX listing rule 705(5) of the listing manual.

Not applicable for full-year financial results announcement.

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.

Part 2 ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCMENT

16 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Revenue in both years relates to interest income.

17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable, please refer to Section 16 above.

18 A breakdown of sales as follows:-

	2020 S$'000	2019 S$'000	Increase / (Decrease) %
a) Sales reported for the first half year	16	5	220
b) Operating profit/(loss) after tax before deducting non-controlling interests reported for the first half year	929	(359)	(359)
c) Sales reported for the second half year	24	1	2,300
d) Operating (loss)/profit after tax before deducting non-controlling interests reported for the second half year	(581)	1,848	(131)

19 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Not applicable.

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms there no person occupying a managerial position in the Company and any of its principal subsidiaries who is a relative of a Director or Chairman or substantial shareholder of the Company.

BY ORDER OF THE BOARD

David Chin Yew Choong
Non-Executive Chairman

Yap Kian Peng
Independent Director

25 February 2021