M DEVELOPMENT LTD
(Company Registration No. 200201764D)

Unaudited Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2018

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 18 to 31 Dec 18 S$'000	1 Jan 17 to 31 Dec 17 S$'000	Increase / (Decrease) %
Revenue	1,952	388	403
Cost of sales	(1,967)	(364)	440
Gross (loss)/profit	(15)	24	nm
Other income	3	5	nm
General and administrative expenses	(1,633)	(1,993)	(18)
Loss before tax	(1,645)	(1,964)	
Income tax credit	-	7	nm
Loss for the year	(1,645)	(1,957)	
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	25	(98)	
Total comprehensive income	(1,620)	(2,055)	
Loss for the year attributable to:			
Owners of the Company	(1,643)	(1,955)	
Non-controlling interests	(2)	(2)	
	(1,645)	(1,957)	
Total comprehensive income attributable to:			
Owners of the Company	(1,618)	(2,053)	
Non-controlling interests	(2)	(2)	
	(1,620)	(2,055)	

(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 18 S$'000	31 Dec 17 S$'000	31 Dec 18 S$'000	31 Dec 17 S$'000
ASSETS				
Non-current assets				
Plant and equipment	-	-	-	-
Investments in subsidiaries	-	-	142	147
Total non-current assets	-	-	142	147
Current assets				
Trade receivables	116	370	-	-
Deposits	7	382	7	382
Prepayments	3	7	3	7
Cash and cash equivalents	6,077	6,742	4,673	5,801
Total current assets	6,203	7,501	4,683	6,190
Total assets	6,203	7,501	4,825	6,337
LIABILITIES				
Current liabilities				
Trade payables	116	-	-	-
Other payables and accruals	1,069	983	182	94
Loan from a Director	120	-	-	-
Total current liabilities	1,305	983	182	94
Net current assets	4,898	6,518	4,643	6,096
EQUITY				
Share capital	46,226	46,226	46,226	46,226
Accumulated losses	(39,790)	(38,147)	(41,583)	(39,983)
Foreign currency translation reserve	46	21	-	-
	6,482	8,100	4,643	6,243
Non-controlling interests	(1,584)	(1,582)	-	-
	4,898	6,518	4,643	6,243
Total equity and liabilities	6,203	7,501	4,825	6,337

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

As at 31 December 2018, the Group had total borrowings of approximately S$120,000 (equivalent to RMB600,000) from the unsecured interest-free loan from a Director.

Amount repayable in one year or less, or on demand

As at 31 Dec 18		As at 31 Dec 17	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
Nil	120	Nil	Nil

Amount repayable after one year

As at 31 Dec 18		As at 31 Dec 17	
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), with a comparative statement for the corresponding period of the immediately preceding financial year.

	1 Jan 18 to 31 Dec 18 S$'000	1 Jan 17 to 31 Dec 17 S$'000
Operating activities		
Loss before tax	(1,645)	(1,964)
Adjustments for:		
Depreciation of plant and equipment	-	1
Interest income	(10)	(6)
Total adjustments	(10)	(5)
Operating cash flows before changes in working capital	(1,655)	(1,969)
Changes in working capital		
Decrease/(increase) in trade receivable	254	(370)
Decrease/(increase) in deposits	375	(343)
Decrease/(increase) in prepayments	4	(1)
Increase in trade payables	116	-
Increase/(decrease) in other payables and accruals	88	(241)
Cash flows used in from operations	(818)	(2,924)
Interest received	10	6
Tax paid	-	(23)
Net cash flows used in operating activities	(808)	(2,941)
Financing activities		
Proceeds from loan from a Director	120	-
Net cash flows from financing activities	120	-
Net decrease in cash and cash equivalents	(688)	(2,941)
Effect of exchange rate changes	23	(98)
Cash and cash equivalents at beginning of the year	6,742	9,781
Cash and cash equivalents at end of the year	6,077	6,742

(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 17	46,226	(36,192)	119	10,153	(1,580)	8,573
Total comprehensive income for the year	-	(1,955)	(98)	(2,053)	(2)	(2,055)
Balance as at 31 Dec 17 and 1 Jan 18	46,226	(38,147)	21	8,100	(1,582)	6,518
Total comprehensive income for the year	-	(1,643)	25	(1,618)	(2)	(1,620)
Balance as at 31 Dec 18	46,226	(39,790)	46	6,482	(1,584)	4,898

	Share capital S$'000	Accumulated losses S$'000	Total equity S$'000
COMPANY			
Balance as at 1 Jan 17	46,226	(38,000)	8,226
Total comprehensive income for the year	-	(1,983)	(1,983)
Balance as at 31 Dec 17 and 1 Jan 18	46,226	(39,983)	6,243
Total comprehensive income for the year	-	(1,600)	(1,600)
Balance as at 31 Dec 18	46,226	(41,583)	4,643

(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 2017).

(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 18 Number of ordinary shares	31 Dec17 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, 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.

Except as disclosed in Paragraph 5 below regarding the adoption of the Singapore Financial Reporting Standards (International), there were no further changes in accounting policies and methods of computation adopted in the financial statements of the current reporting period as compared to the most recently audited annual financial statements as at 31 December 2018.

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.

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)"), which is effective for Singapore-incorporated companies listed on the Singapore Exchange for annual reporting periods beginning on or after 1 January 2018. The Group has also adopted the new SFRS(I) and Interpretations of SFRS(I)s ("SFRS(I) INT") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. The Adoption of SFRS(I), and the new SFRS(I) and SFRS(I) INT relevant to the Group's Operations and effective for annual periods beginning on or after 1 January 2018 did not have a material effect on the financial statements for the current financial year.

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:-

	31 Dec 18	31 Dec 17
Loss attributable to ordinary shareholders (S$'000)	(1,643)	(1,955)
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)	(0.09)	(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 31 December 2018 and 31 December 2017.

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 18	31 Dec 17	31 Dec 18	31 Dec 17
Net asset value per ordinary share (cents)	0.25	0.34	0.24	0.32

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

The Group recorded higher revenue of S$1,952,000 in FY2018 as compared to revenue of S$388,000 in FY2017 mainly due to higher trading activities. The Group reported a gross loss of S$15,000 in FY2018 mainly due to higher storage costs.

General and administrative expenses(1) decreased by S$360,000 mainly due to lower professional fees of S$0.8 million (FY2017 : S$1.1 million) incurred in relation to the Lawsuit(2). The trial was concluded in the 1st quarter of 2018, resulting in the decrease of professional fees incurred.

The Group recorded a net loss of S$1,645,000 for FY2018 as compared to a net loss of S$1,957,000 for FY2017. The decrease in net loss was mainly due to lower professional fees as mentioned above.

Note 1: General and administration expenses

	1 Jan 18 to 31 Dec 18 S$'000	1 Jan 17 to 31 Dec 17 S$'000	Increase / (Decrease) %
Accounting fees	13	13	-
Audit fees	44	43	2
Corporate expenses	58	128	(55)
Director's fees	150	150	-
Director's remuneration & CPF	212	212	-
Other expenses	103	68	51
Other professional fees	34	7	385
Professional fees relating to the Lawsuit	811	1,144	(29)
Secretarial fees	38	38	-
Staff expenses	170	190	(11)
General and administrative expenses	1,633	1,993	(18)

Note 2 :

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

Statements of Financial Position

Group

Current assets decreased by S$1,298,000 mainly due to lower trade receivables, the utilisation of deposits paid to the professional firm relating to the Lawsuit and reduction of cash used for payments of its expenses.

Current liabilities increased by S$322,000 mainly due to increase in trade and other payables and accruals and loan from a director. This was in line with higher loan from a director to provide finance support for the trading activities of the new incorporated subsidiary during the year.

Company

Current assets decreased by S$1,507,000 mainly due to the utilisation of deposits paid to the professional firm relating to the lawsuit and reduction of cash used for payments of its expenses.

Current liabilities increased by S$88,000 mainly due to increase in trade and other payables and accruals.

Statement of Cash Flows

The Group reported a net cash of S$808,000 used in operating activities for expenses incurred.

The Group had received an interest free loan from a Director of S$120,000 with no fixed terms of repayment as working capital for its newly incorporated wholly owned subsidiary, Ally Cypress (Xiamen) Limited.

Group reported a net decrease in cash of S$688,000 for the year 2018.

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 Company has been successful in its claim against the various defendants in the Lawsuit and was awarded a judgement amount of S$1,404,332.95 and costs of S$870,261.22 ("Judgement"). On 3 December 2018 and 4 December 2018, some of the defendants namely Mr Sim Poh Ping; Ms Sim Pei Yee; and Ms Sim Pei San; and the Company respectively, filed notices of appeals against the Judgement. Pending the appeals the defendants have made payment of all the monies awarded under the Judgement to the Company's lawyers who will hold these sums on the Company's behalf until the resolution of the appeals. In the event that any further sums are awarded to the Company by the Court of Appeal pursuant to the appeals the Company will have the right to demand and claim for these additional sums.

In view of the pending appeals, the Board of Directors has decided not to record the amount in the Company's books until decision by the Court of Appeal to the appeals. The Board of Directors will continue to update the shareholders on any development in this regard.

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, including the cash exit offer in accordance with Rule 1309 of the listing manual.

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.

There are 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.

All of the Group's revenues are derived from trading business from United Force Trading Pte Ltd and Ally Cypress (Xiamen) Limited.

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:-

	2018 S$'000	2017 S$'000	Increase / (Decrease) %
a) Sales reported for the first half year	285	2	14150
b) Operating loss after tax before deducting non-controlling interests reported for the first half year	(1,201)	(641)	87
c) Sales reported for the second half year	1,667	386	332
d) Operating loss after tax before deducting non-controlling interests reported for the second half year	(444)	(1,316)	(66)

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 Executive Chairman or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Huang Wen Lai
Executive Chairman

David Chin Yew Choong
Non-Executive Non-Independent Director

27 February 2019