Development Limited

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

ADDITIONAL INFORMATION TO THE UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The Board of Directors of M Development Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Group's unaudited full year financial statement and dividend announcement for the financial year ended 31 December 2015 ("**Full Year Results Announcement**") released on the SGXNET on 29 February 2016.

The Company would like to provide the following additional information in reply to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 16 March 2016 and 21 March 2016.

SGX-ST Query 1

"Noting that the only source of revenue for the Company is interest income derived from the loan receivable, the assets of the Company would consist wholly or substantially of cash or short-dated securities. Please state the Company's basis whether it will then classify as a cash company under Rule 1018 of the Listing Manual."

Company's Response:

The principal activity of the Company is investment holding. It is also involved in trading through United Force Trading Pte Ltd. However, the Company has temporarily put investing in new businesses on hold and suspended its trading business until, *inter alia*, the following matters are either concluded or the Company gains a better clarity with such matters:

(a) the litigation which was commenced by the Company's subsidiary, Winsta Holding Pte Ltd and its seven subsidiaries (the "**Subsidiaries**") in the Singapore courts against thirteen defendants; and

(b) the Company's proposed transfer of its listing to the Catalist. The proposed sponsor of the Company is finalising its due diligence on the Company in connection with its appointment,

(collectively, the "**Outstanding Matters**").

The Company has also commenced on preparatory work in connection with the proposed adoption of a new interested person transactions mandate which would permit the Company's subsidiary, United Force Trading Pte Ltd to trade with its interested person, Xinyang Benma Technology Co., Ltd. In this regard, the Company anticipates that the trading business will recommence in the second half of the financial year ending 31 December 2016.

Accordingly, the Company is of the view that it should not be regarded as a cash company given that the reason why it has undeployed cash assets is because it is awaiting the conclusion and/or better clarity in relation to certain Outstanding Matters.

SGX-ST Query 2

"In paragraph 10, it is noted that "the Group will continue to expand its trading activities and explore new business opportunities". Please elaborate how the trading activities perform in FY2015 and how the Company intends to expand its trading activities."

Company's Response:

As mentioned above, the Company has suspended its trading business until the completion of the Outstanding Matters or when the Company gains a better clarity with respect to such Outstanding Matters. The Company has also confirmed in paragraph 8 of the Full Year Results Announcement that United Force Trading Pte. Ltd. has not performed any trading services for the financial year ended 31 December 2015.

In order to expand its trading activities, the Company will speak to potential business partners to explore opportunities. Further and as mentioned above, the Company is also intending to seek shareholders' approval for a general mandate for the Company and its subsidiaries to enter into interested person transactions.

BY ORDER OF THE BOARD
M DEVELOPMENT LIMITED

Huang Wen-Lai
Executive Chairman and Director
23 March 2016