Development Limited

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

NOTIFICATION OF CASH COMPANY STATUS PURSUANT TO RULE 1018 OF THE LISTING MANUAL OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX")

The Board of Directors of M Development Ltd (the "Company") wishes to announce that the Company has received a letter dated 7 September 2017 from SGX notifying the Company as follows:

1. The Company's response to SGX queries on 23 March 2016 in relation to the financial statements of the Group for the financial year ended 31 December 2015, where SGX had raised its concerns that the Company has no business operations and brought Listing Rule 1018 on cash companies to the Company's attention.

2. SGX noted that the only source of revenue for the Company was interest income derived from the then loan receivable, with the assets of the Company consisting wholly or substantially of cash or short-dated securities as at 31 December 2015. The Company represented, *inter alia*, that the Company was pending the outcome of its "proposed transfer of its listing to the Catalist" (the "Proposed Transfer"), and it "anticipates that the trading business will recommence in the second half of the financial year ending 31 December 2016". The Company also confirmed that it had suspended its trading business.

3. The Company was informed on 28 July 2016 that SGX was unable to accede to the Proposed Transfer, as the Company had not demonstrated that it has a viable operating business model. The Company had announced the outcome on 29 July 2016.

4. On 15 August 2016, in response to SGX's queries, the Company again stated that its trading business would recommence no later than the fourth quarter of the financial year ending 31 December 2016.

5. SGX noted that in the Company's latest half-year financial results for the period ended 30 June 2017, announced on 10 August 2017, despite SGX's communications, the Company's responses and after more than 1.5 years, the Company continues to have no revenue from operations, and the assets of the Company continue to consist wholly or substantially of cash or short-dated securities.

6. Taking into account, *inter alia*, the Company has failed to recommence its trading business by 31 December 2016, the Company will be deemed a cash company pursuant to Rule 1018 of the Listing Manual. Pursuant to Rule 1018(1), the Company will be suspended and the suspension will remain in force until the Company has a business which is able to satisfy SGX's requirements for a new listing, and all relevant information has been announced. Upon completion of the disposal of its operations and/or assets, the Company must place 90% of its cash and short-dated securities in an account opened with and operated by an escrow agent and provide monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business to the market via SGXNET.

7. Pursuant to Rule 1018(2) of the Listing Manual, the Company has up to 12 months from the time it becomes a cash company to meet the requirements for a new listing, failing which SGX will proceed to remove the Company from the Official List and the Company must comply with Rule 1309 of the Listing Manual to provide an exit offer upon delisting.

8. With effect from 8 September 2017, the Company will be deemed a cash company.

9. Trading in the Company's securities will continue until 5.05 p.m. on 11 September 2017 and thereafter, trading will be suspended.

Therefore, shareholders should note the Company's potential cash company status, trading suspension, and timeline to meet the requisite listing requirement, as described above.

BY ORDER OF THE BOARD
M DEVELOPMENT LIMITED

Huang Wen-Lai
Executive Chairman and Director
7 September 2017