



Development Limited

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

---

**RESPONSE TO SGX QUERY ON UNAUDITED FINANCIAL RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2017**

---

The Board of Directors of M Development Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Group’s unaudited financial results for the full year ended 31 December 2017 (“**FY2017 Results**”) released on the SGXNET on 1 March 2018. The Company would like to provide the following information in reply to the queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 19 March 2018:

**SGX-ST Query 1**

The Company disclosed “Revenue” of \$388,000 for FY2017 was mainly derived from trading activities. Please provide details on the trading activities.

**Company’s Response**

The trading activities relates to trading of cow hides from Ireland to China. The Parties involved in the trade are unrelated to the Company. All trades were secured by letters of credit.

**SGX-ST Query 2**

Please disclose the reason for “Cost of sales” to increase from nil in FY2016 to \$364,000 in FY2017

**Company’s Response**

This was due to the trading activities in FY2017 that we temporarily stopped in FY2016. As such there was no cost of sales in FY2016.

**SGX-ST Query 3**

Please disclose whether the Company has already paid for its “Cost of sales” whilst it has been unable to collect its sales proceeds from its trading activities.

**Company’s Response**

Payments were made according to the credit terms with the suppliers. For FY2017 ended on 31 December 2017, the cost of sales had been paid. Similarly the sales proceeds from the trading activities were collected according to the credit terms given to the customers. For FY2017 ended on 31 December 2017, payment was not due yet and therefore remained outstanding. Sales and its corresponding payments were backed by letters of credit.

**SGX-ST Query 4**

The Company reported “Revenue” of \$388,000 for FY2017. However, “Trade receivable” amounted to a significant \$370,000. Please explain why sales receipts were not collected from FY2017 sales.

**Company's Response**

As at FY2017, payment was not collected as collection was against an usance letter of credit of 90 days. The amount has since been collected.

**SGX-ST Query 5**

The Company disclosed "Deposits" of \$382,000. Please provide details of the "Deposits" and the reason why "Deposits" increased to \$382,000.

**Company's Response**

Included in the deposits was an amount of S\$370,000 relating to on-going litigation paid to the professional firm which was utilised in FY2018 and the balance was for the rental of office.

**BY ORDER OF THE BOARD  
M DEVELOPMENT LIMITED**

Huang Wen-Lai  
Executive Chairman and Director  
25 March 2018