Development Limited

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

ANNOUNCEMENT RELATING TO AN ALLEGED CLAIM BY A SHAREHOLDER OF M DEVELOPMENT LTD (THE "COMPANY") AGAINST THE COMPANY AND CERTAIN DIRECTORS OF THE COMPANY

The Board of Directors of the Company refers to its announcement on 4 August 2015 in relation to the liquidation of the following subsidiaries of Winsta Holding Pte Ltd ("**Winsta Holding**"):

(a) The Hill Lodge @ Mount Vernon Pte Ltd;
(b) Pearl Hill Hostel Pte Ltd;
(c) Evan Hostel Pte Ltd;
(d) Katong Hostel Pte Ltd;
(e) Global Residence Pte Ltd;
(f) Queensway Student Hostel Pte Ltd; and
(g) Carlisle Hostel Management Pte Ltd

The Company has been informed by its solicitors, Rajah & Tann Singapore LLP, that it received a letter after office hours on 21 August 2015 from Advocatus Law LLP, who acts for Mr Sim Poh Ping ("**Sim**"). Sim alleges inter alia that the affairs of the Company and Winsta Holding have been conducted in a manner oppressive to Sim and in disregard of his interests as a shareholder of the Company and Winsta Holding. Sim indicated that he intends to commence legal action against inter alia the Company and certain directors of the Company.

The Company and the Board of Directors categorically denies the allegations which have been raised by Sim, and will take all necessary steps to vigorously defend any such frivolous proceedings. The Board of Directors will continue to update the shareholders on any development in this regard.

BY ORDER OF THE BOARD
M DEVELOPMENT LIMITED

Huang Wen-Lai
Executive Chairman and Director
24 August 2015