



Development Limited

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

RESPONSE TO SGX QUERY ON UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2016

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 half year ended 30 June 2016 (“**1H FY2016 Results**”) released on the SGXNET on 5 August 2016. 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 11 August 2016:

SGX-ST Query 1

In the “Financial Statements and Related Announcement: Half Yearly Results” by the Company, the Company announced “Administrative expenses” of S\$700,000, and “Other operating expenses” of S\$308,000. These amounts are material compared to group revenue of S\$349,000. The Company further disclosed that “Administrative and other operating expenses have increased by S\$112,000 mainly due to increase in professional and legal fees incurred in relation to the legal proceedings commenced by Winsta Holding”.

Please provide a breakdown of the administrative and other operating expense, and disclose the amount incurred in professional/legal fees relating solely to legal proceedings commenced by Winsta Holding.

Company’s Response:

Administrative and other operating expenses for 1H FY2016 are set out below.

	S\$’000
<u>Administrative expenses</u>	
Accounting fees	27
Audit fees	84
Corporate expenses	23
Secretarial fees	12
Administrative expenses	94
Professional/legal fees relating to legal proceedings commenced by Winsta Holding	343
Other professional fees	117
Total administrative expenses	700
<u>Other operating expenses</u>	
Director’s fees	75
Director’s remuneration & CPF	92
Staff expenses	133
Other expenses	9
Total other operating expenses	308
Total administrative and other operating expenses	1,008

SGX-ST Query 2

We refer to the Company's announcement on 23 March 2016 (the "March Announcement"). Please provide:

- (a) updates to the March Announcement; and
- (b) details on when the trading business of the Company is expected to recommence.

Company's Response:

Further to the announcement made by the Company on 23 March 2016, the Company is currently in discussion with third parties and expects to re-commence its trading business no later than the fourth quarter of this financial year ending 31 December 2016.

SGX-ST Query 3

We refer to the Company's announcement on 10 September 2015.

Please provide an update on the status and collectability of the loan extended to Visualedge Technology Co. Ltd of S\$7 million due on 24 Aug 2016.

Company's Response:

Further to the announcement made by the Company on 10 September 2015, the Company does not foresee any issue with respect to the collection of full repayment of S\$7 million loan extended to Visualedge Technology Co. Ltd due on 24 August 2016. The Company will make the relevant disclosures as and when there are any material developments.

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

Huang Wen-Lai
Executive Chairman and Director
15 August 2016