



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

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**PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF  
ANTAI MINING INTERNATIONAL HOLDINGS COMPANY LIMITED ("PROPOSED  
ACQUISITION") – SALE AND PURCHASE AGREEMENT**

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**1. INTRODUCTION**

- 1.1 The board of directors ("**Board**") of M Development Limited ("**Company**", and together with its subsidiaries the "**Group**") refers to the announcement dated 10 January 2020 ("**Waiver Announcement**"). Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the Waiver Announcement. All approximations in this announcements are based on the exchange rate of RMB1: S\$0.20.
- 1.2 Further to the Waiver Announcement, the Board wishes to announce that the Company has on 31 January 2020 entered into a sale and purchase agreement ("**SPA**") with Jovial Bridge Limited, Cypress Top Limited and Prime Kirin Limited ("**Vendors**") for the acquisition of the entire issued and paid-up share capital of Antai Mining International Holdings Company Limited (the "**Target**", and together with its subsidiaries, the "**Target Group**") ("**Proposed Acquisition**").
- 1.3 The Proposed Acquisition if undertaken and completed, is expected to result in a reverse takeover of the Company under Rule 1015 of the Listing Manual of the SGX-ST ("**Listing Manual**") and will be subject to the approval of shareholders of the Company.

**2. INFORMATION RELATING TO THE VENDORS AND THE TARGET GROUP**

Information on the Vendors

- 2.1 Jovial Bridge Limited ("**JBL**") is a company incorporated in the British Virgin Islands and owns 34,500 ordinary shares in the Target, representing 69% interest in the Target.

JBL is wholly owned by Mr. Liu Chuanyang. Mr. Liu Chuanyang is the sole director of JBL.

- 2.2 Cypress Top Limited ("**CTL**") is a company incorporated in the British Virgin Islands and owns 8,000 ordinary shares in the Target, representing 16% interest in the Target.

CTL is wholly owned by Mr. Zhou Weidong. Mr. Zhou Weidong is the sole director of CTL.

- 2.3 Prime Kirin Limited (“**PKL**”) is a company incorporated in the British Virgin Islands and owns 7,500 ordinary shares in the Target, representing 15% interest in the Target.

PKL is wholly owned by Mr. Chen Shoude. Mr. Chen Shoude is the sole director of PKL.

- 2.4 As at the date of this announcement, each of the Vendors and their beneficial owners do not hold (directly or indirectly) any shares in the Company and has no connection (including business relationships) with the Group, the Directors or controlling shareholders of the Company, or their respective associates.

- 2.5 Mr. Liu Chuanyang, the majority shareholder of the Target has known the Executive Chairman of the Company, Mr Huang Wen-lai and one of the substantial shareholders of the Company, Mr Wang Mingliang, for many years. No commission was paid or is payable by the Company to anyone in relation to the Proposed Acquisition.

#### Details of the Target Group

- 2.6 The Target is a company incorporated in the Cayman Islands on 14 June 2018. The Target has an issued and paid-up share capital of US\$50,000 comprising 50,000 ordinary shares. Mr. Liu Chuanyang is the sole director of the Target.
- 2.7 The Target owns 100% of the issued shares of Antai Mining International Company Limited, an investment holding company incorporated in the British Virgin Islands (“**Antai BVI**”). Antai BVI owns 100% of the issued shares of Antai International (HK) Limited, an investment holding company incorporated in the Special Administrative Region of Hong Kong (“**Antai Hong Kong**”). Antai Hong Kong owns 100% of the issued shares of Jinsha County Antai Stone Company Limited (“**Jinsha**”), a company incorporated in the People’s Republic of China.
- 2.8 Jinsha is principally involved in marble mining and operates a marble mine located at Jinsha County, Bijie City, Guizhou Province in the People’s Republic of China (“**Marble Project**”). The directors of Jinsha are Mr. Liu Chuanyang, Mr. Yu Hailin and Mr. Feng Huimin.
- 2.9 The Marble Project is at an early stage of operations, and contains significant quantity of marble resources comprising grey marble and black marble. Based on the draft independent qualified person’s report (“**IQPR**”) prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition):
- (a) the estimated resources at the Marble Project as of 1 September 2018 were 9.25 million m<sup>3</sup>, comprising Indicated Resources of 7.20 million m<sup>3</sup> and Inferred Resources of 2.05 million m<sup>3</sup>; and
  - (b) the estimated Probable Reserves at the Marble Project as at 1 September 2018 were 1.54 million m<sup>3</sup> and the estimated block yield was 46.4%. The estimate mine life of the Marble Project, operating at full design capacity, is approximately 30 years.

### 3. RATIONALE FOR THE PROPOSED ACQUISITION

- 3.1 Following the Company's announcement on 7 September 2017, the Company was a cash company as defined under Rule 1018 of the Listing Manual and trading in the Company's securities on SGX-ST was suspended after 5.05 p.m. on 11 September 2017. Under Rule 1018 (2) of the Listing Manual, the SGX-ST will proceed to remove an issuer from the Official List if it is unable to meet the requirements for a new listing within 12 months from the date it becomes a cash company.
- 3.2 The Company was granted an extension of time by SGX-ST to meet the requirements for a new listing under Rule 1018(2) of the Listing Manual until 7 March 2019 ("**Waiver**"). As announced on 7 December 2018, the Company was informed by the SGX-ST on 5 December 2018 that the Waiver was no longer effective due a failure to meet the Waiver conditions. Pursuant to Rule 1018(2) of the Listing Manual, no further extension will be granted and the Company will be removed from the Official List of SGX-ST, and a cash exit offer in accordance with Rule 1309 of the Listing Manual should be made to Shareholders within six (6) months.
- 3.3 Subsequently, the Company announced on 10 January 2020 that it had received a proposal to acquire the Target Group and had applied to the SGX-ST to seek a waiver of Rule 1018(2) of the Listing Manual and a further extension. The Company was granted a further extension of time to meet the requirements for a new listing until 30 April 2020.
- 3.4 The Board is of the view that the Proposed Acquisition is in the best interest of the Company as the Proposed Acquisition presents an opportunity for the Company to acquire a business in the marble mining industry and maintain its listing status, thereby enhancing shareholder value.

### 4. TRANSFER TO CATALIST

As it is likely that the Target Group may not satisfy the eligibility requirements for Mainboard listings on the SGX-ST, the Company intends to seek a transfer of the listing of the Company from Mainboard to Catalist concurrent with Completion ("**Proposed Catalist Transfer**").

### 5. PROPOSED SHARE CONSOLIDATION

- 5.1 Under Rule 1015(3)(c) of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), where the consideration for an acquisition of assets by the issuer is to be satisfied by the issue of shares, the price per share after adjusting for any share consolidation must not be lower than S\$0.20.
- 5.2 Accordingly, in conjunction with the Proposed Acquisition and subject to the approval of the shareholders of the Company, the Company shall conduct a share consolidation exercise of existing shares in the capital of the Company based on such consolidation ratio as may be determined by the Board in due course on or prior to Completion ("**Consolidation**").

## 6. SALIENT TERMS OF THE PROPOSED ACQUISITION

Based on the SPA, the salient terms of the Proposed Acquisition are as follows:

### Sale and purchase

- 6.1 The Vendors shall sell to the Company, and the Company shall acquire from the vendors the entire share capital of the Target free and clear of all encumbrances and together with all rights, titles and interest attaching thereto as at the date falling no later than seven (7) business days after the later of the satisfaction or waiver of the conditions precedent or such other date as the Vendors and the Company may agree in writing ("**Completion**").

### Consideration

- 6.2 The consideration for the Proposed Acquisition shall be the valuation set out in the independent valuation report prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) ("**IVR**") less a discount of 20%, which may be further adjusted by mutual agreement between the Parties (as defined hereunder) to reflect the results of the financial and legal due diligence investigations, and any pricing recommendations from the underwriters ("**Purchase Consideration**").

The Purchase Consideration shall be satisfied by way of allotment and issuance of such number of new ordinary shares in the capital of the Company ("**Consideration Shares**") at the post-Consolidation issue price of at least S\$0.20 per Consideration Share amounting to the Purchase Consideration, to the Vendors (or their respective nominee(s)).

The IVR is currently being prepared by the appointed independent valuer and has yet to be finalised. For purposes of illustration in this announcement, we have assumed a Purchase Consideration of between S\$50.0 million and S\$150.0 million (each, an "**Illustrative Purchase Consideration**"), taking guidance from a preliminary analysis provided by the Vendors, before accounting for any other relevant adjustments or discounts.

### Valuation of the Target

- 6.3 The Purchase Consideration was agreed after arm's length negotiations and is based on a willing buyer willing seller basis, taking into consideration, amongst other things, the potential earnings, financial position, management experience and track record and the business prospects of the Target Group, the IQPR, and the IVR.

### Shareholding after the Proposed Acquisition

- 6.4 Upon completion of the Consolidation and the Proposed Acquisition and the allotment and issuance of the Consideration Shares in satisfaction of the Illustrative Purchase Consideration at an issue price of S\$0.20, the enlarged shareholding structure of the Company shall be as follows:

Based on an Illustrative Purchase Consideration of S\$50 million and S\$150.0 million at issue price of S\$0.20:

	After Proposed Acquisition			
	Based on Illustrative Purchase Consideration of S\$50.0 million		Based on Illustrative Purchase Consideration of S\$150.0 million	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Number of Consideration Shares	250,000,000	92.9%	750,000,000	97.5%
Number of existing shares of the Company (" <b>Shares</b> ") (on a post-Consolidation basis of 100 existing Shares to 1 consolidated Share) (" <b>Illustrative Consolidation Ratio</b> ")	19,216,378	7.1%	19,216,378	2.5%
Total	269,216,378	100.0%	769,216,378	100.0%

#### Conditions precedent for the Proposed Acquisition

- 6.5 Pursuant to the SPA, the obligations of the Company and the Vendors (together, the "**Parties**") to complete the Proposed Acquisition shall be condition upon, amongst other things:
- (a) the approval of the board of directors of the Company for the transactions contemplated in the SPA;
  - (b) the submission of written confirmation from a financial adviser/sponsor that the Company has sufficient working capital for the twelve months following 29 February 2020;
  - (c) the passing of a resolution by the shareholders of the Company for
    - (i) the Proposed Acquisition;
    - (ii) the allotment and issuance of the Consideration Shares to the Vendors or their nominee(s);
    - (iii) the Proposed Catalist Transfer;
    - (iv) a waiver their right to receive a mandatory offer from the Vendors for all shares in the capital of the Company not already owned or controlled by the Vendors under Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**");
    - (v) such other corporate action(s) such as consolidation of shares or capital reduction as may be required by law or the Listing Manual or in connection with transactions contemplated by the SPA as may be necessary;
  - (d) the Company having obtained all necessary consents, approvals and waivers from the SGX-ST, Security Industries Council or any other relevant regulatory authority for the transactions described in the SPA, and such consents, approvals and waivers not having been amended or revoked prior to Completion;

- (e) in-principle approval from the SGX-ST for the admission of the Consideration Shares to the Official List of the SGX-ST, and such in-principle approval not having been withdrawn or amended on or before Completion;
- (f) in-principle approval from the SGX-ST for the resumption of trading of the Shares, and such in-principle approval not having been withdrawn or amended, on or before Completion;
- (g) in-principle approval from the SGX-ST for the Proposed Catalist Transfer, and such in-principle approval not having been withdrawn or amended, on or before Completion;
- (h) a waiver from the SIC having been obtained, and not having been withdrawn or amended, on or before Completion, in respect of the Vendors' obligation to make a mandatory offer for the Shares under Rule 14 of the Code in connection with the issue of the Consideration Shares;
- (i) completion of the IQPR and the IVR in form and substance satisfactory to the Company;
- (j) the completion, and satisfactory outcome of all financial and legal due diligence investigations by the Company (in consultation with its Financial Adviser, ZICO Capital Pte. Ltd. ("**ZICO Capital**")) into the financial, contractual, tax and trading positions, and prospects, of the Target Group and title to its assets by Completion;
- (k) the relevant approvals for the Vendors to proceed with the sale of shares in the Target having been obtained, including the approval of the directors and/or shareholders of each of the Vendor (where required);
- (l) the Shares not having been de-listed under the Listing Manual;
- (m) there being no fact, matter or event that affects or is likely to affect in a materially adverse manner (as determined by the Company in its sole and absolute discretion) the prospects, operations or financial condition of any of the members of the Target Group occurring on or before Completion; and
- (n) all representations, undertakings and warranties of the Vendors and the Company under the SPA being complied with, true, accurate and not misleading as at the date of the SPA and Completion, unless expressly specified otherwise.

## 7. RELATIVE FIGURES OF THE PROPOSED ACQUISITION

- 7.1 Based on the unaudited financial statements of the Company for the 6 month financial period ended 30 June 2019 ("**6M2019**"), the relative figures of the Proposed Acquisition computed on the bases set out in Rules 1006(a) to (e) of the Listing Manual and the Illustrative Purchase Consideration are as follows:

Rule	Bases	Relative Figures	
		Illustrative Purchase Consideration of S\$50.0 million	Illustrative Purchase Consideration of S\$150.0 million
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable <sup>(1)</sup>	Not applicable <sup>(1)</sup>
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not applicable <sup>(2)</sup>	Not applicable <sup>(2)</sup>
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	1,315.8% <sup>(3)</sup>	3,947.4% <sup>(3)</sup>
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	1301.0% <sup>(4)</sup>	3,902.9% <sup>(5)</sup>
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable <sup>(6)</sup>	Not applicable <sup>(6)</sup>

**Notes:**

(1) Not applicable to an acquisition of assets.

(2) Not applicable as the Group recorded a loss before tax of approximately S\$0.4 million for 6M2019.

(3) Derived by comparing the Illustrative Purchase Consideration to the Company's market capitalisation of approximately S\$3.8 million. The market capitalisation of the Company was computed based on the existing issued share capital of the Company of 1,921,637,787 shares and the volume-weighted average price of S\$0.002 per share on 11 September 2017 (being the last traded market day of the Shares prior to the suspension of trading of the Shares). The Company does not have any treasury shares.

(4) Derived by comparing the 250,000,000 Consideration Shares to be issued and allotted at an issue price of S\$0.20 per Consideration Share based on the Illustrative Purchase Consideration of S\$50.0 million against the Shares in issue, on a post-Consolidation basis based on the Illustrative Consolidation Ratio.

(5) Derived by comparing the 750,000,000 Consideration Shares to be issued and allotted at an issue price of S\$0.20 per Consideration Share based on the Illustrative Purchase Consideration of S\$150.0 million against the Shares in issue, on a post-Consolidation basis based on the Illustrative Consolidation Ratio.

(6) The basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets.

7.2 As the relative figures under Rules 1006(c) and (d) exceed 100%, and that the control of the Company will change upon issuance of the Consideration Shares as set out in Paragraph 6.4, the Proposed Acquisition constitutes a "Reverse Takeover" as defined under Rule 1015 of the Listing Manual. Accordingly, the Proposed Acquisition will be conditional upon, amongst other things, the approval of the Company's shareholders at an extraordinary general meeting to be convened, and the approval of the SGX-ST (or such relevant regulatory authority, case the case may be) being obtained.

## 8. WHITEWASH WAIVER

- 8.1 Upon completion of the allotment and issuance of the Consideration Shares, the Vendors will acquire and hold up to:
- (a) 250,000,000 shares in the capital of the Company (based on an Illustrative Purchase Consideration of S\$50 million), representing approximately 92.9% of the enlarged issued share capital of the Company on a post-Consolidation basis; or
  - (b) 750,000,000 shares in the capital of the Company (based on an Illustrative Purchase Consideration of S\$150 million), representing approximately 97.5% of the enlarged issued share capital of the Company on a post-Consolidation basis.
- 8.2 Pursuant to Rule 14 of the Code, the Vendors and its concert parties will be required to make a mandatory general offer for all the remaining issued shares in the Company not already owned, controlled or agreed to be acquired by them except where the SIC grants them a waiver of their obligation to make a mandatory general offer under Rule 14.
- 8.3 It is a condition precedent to the Proposed Acquisition that the SIC grants the Vendors and their concert parties, and does not revoke or repeal any such grant, a waiver of their obligation to make a general offer under Rule 14 of the Code for all the Shares not owned or controlled by them. Accordingly, the Vendors will be seeking for a whitewash waiver from the SIC prior to Completion.

## 9. POST-COMPLETION PLACEMENT

If required in order to meet the minimum free float requirements under Rule 1015(3)(a) of the Catalist Rules ("**Minimum Public Float Requirements**") following Completion, the Vendors shall procure that the Company shall, and the Company shall, if necessary, use all reasonable endeavours to carry out a fully underwritten placement of Shares ("**Post-Completion Placement**") on terms as may be agreed between the Company and the Vendors within one (1) month from Completion or such period of time as may be permitted by the SGX-ST in the event that Completion results in the Minimum Public Float Requirements not being met.

The placees for the Post-Completion Placement may be institutional investors, retail investors, and or existing shareholders of the Company (as long as such placees are acceptable to the SGX-ST and the Vendors for the purposes of fulfilling the Minimum Public Float Requirements).

## 10. FINANCIAL INFORMATION

### Financial information on the Target Group

- 10.1 A summary of the income statement derived from the unaudited management accounts of Jinsha (being the sole operating subsidiary of the Target Group) for the nine-month period ended 30 September 2019 ("**9M2019**") and the financial years ("**FY**") ended 31 December 2018, 31 December 2017 and as well as a summary of the balance sheet derived from the unaudited management accounts of Jinsha as at 30 September 2019, 31 December 2018 and 31 December 2017 is set out below.



<b>Income Statement Summary</b>	<b>FY2017 (RMB'000)</b>	<b>FY2018 (RMB'000)</b>	<b>9M2019 (RMB'000)</b>
Revenue	–	3,164	1,133
Gross loss	(2,045)	(12,630)	(2,971)
Loss before tax	(2,045)	(12,635)	(2,979)
Loss after tax	(2,045)	(12,635)	(2,979)

  

<b>Balance Sheet Summary</b>	<b>As at 31 December 2017 (RMB'000)</b>	<b>As at 31 December 2018 (RMB'000)</b>	<b>As at 30 September 2019 (RMB'000)</b>
Intangible assets	360	1,807	1,807
Other non-current assets	12,064	13,721	13,458
Current assets	76	2,715	3,273
Current liabilities	8,541	7,396	10,671
Shareholders' equity	3,959	10,847	7,867

#### Financial effects of the Proposed Acquisition

- 10.2 The *pro forma* financial effects of the Proposed Acquisition are purely for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Enlarged Group following Completion.
- 10.3 The unaudited *pro forma* financial effects of the Proposed Acquisition set out below have been prepared based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2018, and the unaudited financial statements of Jinsha (being the sole operating subsidiary of the Target Group) for the financial year ended 31 December 2018, as well as the following bases and key assumptions:
- (a) the financial effects of the Proposed Transaction on Group's net tangible assets ("NTA") per Share are computed assuming that the Proposed Acquisition was completed on 31 December 2018;
  - (b) the financial effects of the Proposed Acquisition on the Group's losses per Share ("LPS") are computed assuming that the Proposed Acquisition was completed on 1 January 2018;
  - (c) an exchange rate of RMB1.00 to S\$0.20 is applied;
  - (d) the financial effects of the Proposed Acquisition do not take into account the capital reduction exercise conducted by the Company on 15 August 2019;
  - (e) no adjustments have been made to account for the different accounting standards of the Group and the Target Group;

- (f) save for Jinsha, the remaining subsidiaries within the Target Group are not revenue generating, do not undertake any business activities, and do not carry any material assets and liabilities;
- (g) the issue price per Consideration Share is S\$0.20;
- (h) the Consolidation is undertaken at the Illustrative Consolidation Ratio;
- (i) the Illustrative Purchase Consideration used are S\$50.0 million and S\$150.0 million;
- (j) effects of the Post-Completion Placement (if required) are disregarded for the purposes of illustration under this section; and
- (k) expenses incurred in connection with the Proposed Acquisition are disregarded for the purposes of calculating the financial effects.

Financial effects based on Illustrative Purchase Consideration of S\$50.0 million and S\$150.0 million

- 10.4 The financial effects of the Proposed Acquisition on the issued share capital of the Company as at the date of the SPA based on an Illustrative Purchase Consideration of S\$50.0 million and S\$150.0 million is as follows:

*Share Capital*

	Before Proposed Acquisition	After Proposed Acquisition	
		Based on Illustrative Purchase Consideration of S\$50.0 million	Based on Illustrative Purchase Consideration of S\$150.0 million
Number of existing Shares in issue after Consolidation	19,216,378	19,216,378	19,216,378
Add: Consideration Shares	–	250,000,000	750,000,000
Total number of Shares in issue	19,216,378	269,216,378	769,216,378
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Share Capital after Consolidation	46,226	46,226	46,226
Add: Illustrative Purchase Consideration	–	50,000	150,000
Total Share Capital	46,226	96,226	196,226

## LPS

	Before Proposed Acquisition	After Proposed Acquisition	
		Based on Illustrative Purchase Consideration of S\$50.0 million	Based on Illustrative Purchase Consideration of S\$150.0 million
Number of existing Shares in issue after Consolidation	19,216,378	269,216,378	769,216,378
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Loss attributable to shareholders of the Company	(1,643)	(1,643)	(1,643)
Effects of Proposed Acquisition	–	(2,527)	(2,527)
Total loss attributable to shareholders of the Company	(1,643)	(4,170)	(4,170)
	<b>cents</b>	<b>cents</b>	<b>cents</b>
LPS (cents)	(8.55)	(1.55)	(0.54)

## NTA per Share

	Before Proposed Acquisition	After Proposed Acquisition	
		Based on Illustrative Purchase Consideration of S\$50.0 million	Based on Illustrative Purchase Consideration of S\$150.0 million
Number of existing Shares in issue after Consolidation	19,216,378	269,216,378	769,216,378
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
NTA as at 31 December 2018	4,898	4,898	4,898
Effects of Proposed Acquisition	–	1,808	1,808
Total NTA	4,898	6,706	6,706
	<b>cents</b>	<b>cents</b>	<b>cents</b>
NTA per Share (cents)	25.49	2.49	0.87

### Note:

For the purposes of the Proposed Acquisition, NTA is calculated as net assets less intangible assets.

## Gearing

	Before Proposed Acquisition	After Proposed Acquisition	
		Based on Illustrative Purchase Consideration of S\$50.0 million	Based on Illustrative Purchase Consideration of S\$150.0 million
	S\$'000	S\$'000	S\$'000
Borrowings	120	120	120
Effects of Proposed Acquisition	–	–	–
Total borrowings	120	120	120
NTA after Proposed Acquisition	4,898	6,706	6,706
Gearing (%)	2.4%	1.8%	1.8%

### 11. APPOINTMENT OF FINANCIAL ADVISOR

The Company has appointed **ZICO Capital** as its financial adviser to advise on the Proposed Acquisition.

### 12. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR

The Company will appoint an independent financial adviser to the independent directors of the Company in connection with the Whitewash Resolution in due course.

### 13. APPOINTMENT OF PROFESSIONAL PARTIES

The Board wishes to announce that (a) **RSM Chio Lim LLP** has been appointed as the reporting accountant in respect of the Proposed Acquisition; and (b) **Drew & Napier LLC** has been appointed as the legal adviser to the Company on the laws of Singapore.

### 14. INTEREST OF DIRECTOR AND CONTROLLING SHAREHOLDER

None of the Directors, controlling shareholders or their associates have any interest, direct or indirect in the Proposed Acquisition, save for their respective interests in the shares of the Company (as the case may be).

### 15. DIRECTORS' SERVICE CONTRACTS

There are currently no directors who are proposed to be appointed to the Company in connection with the Proposed Acquisition. However, it is envisaged that the Company, may, upon Completion, enter into service contracts with nominees of the Vendors to be appointed to the Board. As such arrangements have not been firmed up as at the date of this announcement, the details of such arrangements (if any) will be disclosed in the circular to be despatched to the shareholders in due course in connection with the Proposed Acquisition.

**16. CIRCULAR**

A shareholders' circular containing, amongst other things, the notice of the extraordinary general meeting in relation to the Proposed Acquisition will be dispatched to the shareholders in due course.

**17. FURTHER ANNOUNCEMENTS**

The Company shall make further announcements on the Proposed Acquisition as and when appropriate.

**18. RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Group and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, including without limitation information on the Target Group and the Vendors, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

**19. DOCUMENTS FOR INSPECTION**

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company at 4 Shenton Way #17-01 SGX Centre II Singapore 068807 for a period of three (3) months from the date of this announcement.

**20. CAUTIONARY STATEMENT**

Shareholders are advised that the Proposed Acquisition is subject to numerous conditions and further due diligence by the Vendors and the Company. As such, there is no assurance that the Proposed Acquisition will complete and that the shares of the Company will eventually resume trading on the SGX-ST. Shareholders are therefore asked to exercise caution when dealing in the shares of the Company and should consult their legal, financial, tax and other professional advisers if they have any doubt as to the action to take.

BY ORDER OF THE BOARD  
M DEVELOPMENT LIMITED

Huang Wen-Lai  
Executive Chairman and Director  
11 February 2020