

Issuer: M Development Ltd.

Security: M Development Ltd.

Meeting details:

Date: 21 April 2017

Time: 13:00H

Venue: 10 Anson Road, #28-15 International Plaza, Savvy Training Room, Singapore 079903

Company Description

M Development Ltd., an investment holding company, provides financing services in Hong Kong. It also purchases and sells electronic products. The company was formerly known as NTI International Limited. M Development Ltd. was incorporated in 2002 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=N14)

Q1. In the Letter to Shareholders (page 4 of the annual report), it was stated that the “board and management are taking steps to rectify these concerns and will in 2017 identify new businesses and investments for the Company”. The concerns relate to the company’s viability and the ongoing litigation.

- a) **Does the company have any further updates for shareholders? What is the progress made in the search of a new business? How is the search being conducted?**
- b) **Are there particular sectors and/or geographical area that the company is focusing its search in?**
- c) **How much time does the company have to identify and acquire a new business? Is the company considered a “cash company” under Listing Rule 1018?**
- d) **What are the estimated litigation costs? Will it put the balance sheet under further stress?**

Q2. On page 5, in the section “Board of Directors of M Development Ltd.”, Mr Chin Yew Choong David is still being referred to as an “Independent Director”. However, his profile states “Mr Chin was re-designated as a Non-Executive Non-Independent Director for the Group on 20 December 2016”.

- a) **Can the company confirm that Mr Chin is a non-executive non-independent director of the company as noted in the announcement dated 20 December 2016 informing of Mr Chin’s re-designation?**

In the announcement dated 20 December 2016, the reason given for Mr Chin’s re-designation was:

The Company had on 20 December 2016 received the notification from Mr Chin Yew Choong David (“Mr David Chin”) on his personal interest to re-designate from Independent Director to Non-Independent Non-Executive Director of the Company. The Nominating Committee after having reviewed his interest, is of the view that Mr David Chin should not be considered as independent director. The Board accepted the recommendation from the Nominating Committee and approved the re-designation of Mr David Chin as Non-Independent Non-Executive Director of the Company.

- b) **Given the abrupt nature of the re-designation, would Mr Chin further clarify on the specifics of his “personal interest”?**
- c) **When did Mr Chin realise that his personal interest might affect, or perceived to affect, his independence?**

Q3. Guideline 2.2 of the Code of Corporate Governance 2012 (Code) issued by the Monetary Authority of Singapore states that:

2.2 *The independent directors should make up at least half of the Board where:*

- (a) the Chairman of the Board (the “Chairman”) and the chief executive officer (or equivalent) (the “CEO”) is the same person;*
- (b) the Chairman and the CEO are immediate family³ members;*
- (c) the Chairman is part of the management team; or*
- (d) the Chairman is not an independent director.*

As the Chairman, Mr Huang Wen-Lai, is part of the management team, according to Guideline 2.2, the independent directors should make up at least half of the board.

- a) **With the re-designation of Mr Chin, would the company have deviated from Guideline 2.2 of the Code?**

- b) **As such, what are the company's plans to comply with Guideline 2.2 that required independent directors making up at least half the board?**

- c) **What is the company's search and nomination process for new directors?**