

**SALE AND PURCHASE AGREEMENT FOR THE ACQUISITION OF 8,333,340 ORDINARY SHARES IN THE CAPITAL OF DISTRIBUTION MANAGEMENT SOLUTIONS PTE. LTD. - PROPOSED ISSUE OF 6,097,561 NEW ORDINARY SHARES IN THE CAPITAL OF mDR LIMITED**

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Introduction

The Board of Directors of mDR Limited (the “**Company**”) is pleased to announce that the Company has entered into a Sale and Purchase Agreement (the “**Agreement**”) with Mr Ng Hai Hong (the “**Vendor**”) on 5 January 2007. Subject to the terms and conditions of the Agreement, the Company has agreed to issue an aggregate of 6,097,561 new ordinary shares in the capital of the Company (the “**New Shares**”) to the Vendor at an issue price of SGD\$0.041 (the “**Issue Price**”) for each New Share (the “**Subscription**”). Pursuant to the Agreement, the Subscription will be the purchase consideration for 8,333,340 ordinary shares (the “**DMS Sale Shares**”) of the Vendor in Distribution Management Solutions Pte. Ltd. (“**DMS**”), being 2.5% of the issued share capital in DMS.

Background Information

Based on the latest unaudited financial statements of DMS and its subsidiaries (the “**DMS Group**”) as at 31 December 2005, the DMS Group had net assets of SGD\$8.62 million and net tangible liabilities amounting to approximately SGD\$552,000.

The Company had previously, on 16 May 2005, announced an increase of its interest in DMS from 50% to 56.79%. Pursuant to an announcement made by the Company on 29 December 2006, the Company’s interest in DMS was further increased to 66.79%.

Following the completion of this Agreement, the Company’s interest in DMS will be further increased to 69.29%

Purchase Consideration

The Issue Price is arrived at on a willing buyer-willing seller basis and it represents a discount of approximately 10% to the weighted average price of SGD\$0.045 per Share for trades done on the Official List of the Singapore Exchange Securities Trading Limited “**SGX-ST**”) on 4 January 2007 (being the full market day immediately preceding the date of the Agreement).

Conditions Precedents

The Subscription is subject to and conditional upon approval in-principle being obtained from the SGX-ST for the listing and quotation of the New Shares on the Official List of the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions (which are not normally imposed by the SGX-ST for a transaction

of a similar nature), to the extent that any conditions for the listing and quotation of the New Shares on the Official List of the SGX-ST are required to be fulfilled on or before the date of completion of the Subscription, they are so fulfilled.

The Company will be making an application to the SGX-ST for the listing and quotation of the New Shares on the Official List of the SGX-ST.

#### General Mandate and Exemptions

The New Shares will be issued pursuant to the general mandate by the shareholders of the Company, by way of an ordinary resolution ("**Resolution**") passed at the Annual General Meeting held on 31 May 2006, given to the directors of the Company to issue Shares not exceed fifty per centum (50%) of the issued share capital of the Company at the time of the Resolution, of which the aggregate number of shares to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the issued share capital of the Company and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

The New Shares will be issued to the Vendor pursuant to the exemption under Section 273(1F) of the Securities and Futures Act, Cap 289, which exempts the Company from issuing an offer information statement relating to the issue of the New Shares.

#### Issue of New Shares

As at the date of this announcement, the issued and paid-up share capital of the Company is SGD\$89,840,988, comprising 1,539,452,227 ordinary shares ("**Shares**"). Upon completion of the Agreement, the existing issued and paid-up share capital of the Company will increase from SGD\$89,840,988 comprising 1,539,452,227 Shares to SGD\$90,090,988, comprising 1,545,549,788 Shares.

#### Financial Impact

Based on the audited FY2005 Full-Year Financial Statement of the mDR Group, the Agreement does not have a material impact on the net tangible asset per share or on the earnings per share of the Group.

#### Interest of Directors and Controlling Shareholders

Mr Tong Choo Cherng, a director of the Company, is also a director of DMS.

Save as disclosed above, no director or controlling shareholder of the Company has any interest, direct or indirect, in the above transactions.

#### Inspection

A copy of the Agreement is available for inspection during normal business hours at the Company's registered office at 20 Toh Guan Road, #07-00 CJ GLS Building, Singapore 608839, for three months from the date of this announcement.

BY ORDER OF THE BOARD

Huang Wenjian Eugene  
Company Secretary

Singapore  
11 January 2007