

mDR Limited

SALE OF ASSETS AND BUSINESS OF SUBSIDIARY COMPANY – MOBILEFONE REPAIR.COM LIMITED (“MfR”)

Introduction

The Board of Directors of mDR Limited (“**mDR**” or the “**Company**”) wishes to announce that the Company has signed an agreement to sell the assets and business of its subsidiary in New Zealand, namely Mobilefone Repair.com Limited (the “**Sale**”). This is pursuant to a Sale and Purchase Agreement dated 8 January 2007 (the “**Agreement**”) between MfR and Next Electronic Servicing Limited (“**Next Electronics**”). MfR is in the business of providing after-market services for mobile phones and PDA devices.

Consideration

The consideration for the sale is NZ\$1,622,000, equivalent to approximately S\$1,733,593 (based on the exchange rate provided by Bloomberg at the time of this announcement), and shall be paid to in full, without set-off, withholding or deduction of any kind by 31 January 2007 (the “**Settlement Date**”). The consideration for the sale was arrived at on a willing-buyer and willing-seller basis.

As at 30 November 2006, the book value of MfR net assets disposed was approximately S\$1,047,424. The excess of the proceeds over the book value of MfR net assets disposed amounted to approximately S\$686,169.

The Company intends to use the proceeds to augment its working capital position.

Rationale

The Sale is part of the Group’s continuing effort to re-focus and strengthen its AMS activity growth in the emerging markets of India, the People’s Republic of China and South East Asia.

Relative figures as set out in Rule 1006 of the Listing Manual

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual based on the latest announced audited consolidated financial statements of the Group for FY2005 are as follows:-

(a) **Net asset value test**

The net asset value attributable to the assets to be disposed of, compared with the net asset value of the Group is approximately 3%.

(b) **Net profit test**

The net profit attributable to the assets to be disposed of, compared with the Group’s net loss was not meaningful as a percentage.

(c) Market capitalization test

The consideration comprised approximately 2% of the market capitalization of the Group of approximately S\$92,367,134.

(d) Equity securities test

The equity securities test set out in Rule 1006(d) of the Listing Manual is not applicable.

Financial Effects

The effect of the Sale on the net tangible assets per share of the mDR Group for the financial year ended 31 December 2005, assuming that the sale had been effected on 31 December 2005 is approximately an increase of 0.073 Singapore cents per share

The effect of the Sale on the loss per share of the mDR Group for the financial year ended 31 December 2005, assuming that the sale had been effected on 31 December 2005 is approximately an improvement of 0.071 Singapore cents per share.

Interest of Directors and Substantial Shareholders

None of the Directors of the Company has any interest, direct or indirect, in the Sale. As far as the Directors are aware, no substantial shareholder of the Company has an interest, direct or indirect, in the above transaction and the Directors have not received any notification of any interest in the Sale.

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 the period of three months from the date of this announcement.

BY ORDER OF THE BOARD

Huang Wenjian Eugene
Company Secretary
16 January 2007