



mDR Limited

**Full Year and Fourth Quarter Financial Statements for the Period Ended 31 December 2013**

**1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

In S\$'000	Notes	4Q-13	4Q-12	Inc/(Dec) %	YTD-13	YTD-12	Inc/(Dec) %
<b>Revenue</b>	1	104,470	95,151	10%	348,203	319,684	9%
Cost of sales	1	(94,776)	(85,694)	11%	(313,096)	(287,193)	9%
<b>Gross profit</b>	1	9,694	9,457	3%	35,107	32,491	8%
Other income	2	311	335	-7%	1,151	1,443	-20%
Administrative expenses	3	(5,337)	(4,871)	10%	(21,939)	(18,712)	17%
Other operating expenses	4	(4,164)	(2,157)	93%	(10,842)	(8,785)	23%
Finance costs	5	(66)	(13)	408%	(132)	(36)	267%
Total expenses		(9,567)	(7,041)	36%	(32,913)	(27,533)	20%
<b>Profit before income tax</b>		438	2,751	-84%	3,345	6,401	-48%
Income tax credit (expenses)	6	248	(306)	-181%	(274)	(778)	-65%
<b>Profit for the period</b>		686	2,445	-72%	3,071	5,623	-45%
<b>Other comprehensive income:</b>							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Currency translation differences arising on consolidation		(11)	(2)	450%	(73)	1	7400%
Reclassification of currency translation reserves on disposals of subsidiaries		-	(33)	N.M	-	(33)	N.M
<b>Other comprehensive loss for the period, net of tax</b>		(11)	(35)	-69%	(73)	(32)	128%
<b>Total comprehensive income for the period</b>		<u>675</u>	<u>2,410</u>	-72%	<u>2,998</u>	<u>5,591</u>	-46%
<b>Profit attributable to:</b>							
Owners of the Company		1,026	2,394	-57%	3,375	5,516	-39%
Non-controlling interests		(340)	51	-767%	(304)	107	-384%
<b>Total comprehensive income</b>		<u>686</u>	<u>2,445</u>	-72%	<u>3,071</u>	<u>5,623</u>	-45%
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		1,017	2,359	-57%	3,307	5,484	-40%
Non-controlling interests		(342)	51	-771%	(309)	107	-389%
		<u>675</u>	<u>2,410</u>	-72%	<u>2,998</u>	<u>5,591</u>	-46%

N.M. : Not Meaningful

## 1(a)(i) Breakdown and explanatory notes to the income statement

### Note 1 Revenue, cost of sales and gross profit

The Group operates in three business segments – After Market Services (AMS), Distribution Management Solutions (DMS) and Digital Inkjet Printing for Out Of Home (OOH) Advertising Solutions (DPAS).

Business segment DPAS is in relation to Pixio Sdn Bhd (“Pixio”), a digital inkjet printing for point-of-sale and out of home advertisements company that the Group had acquired on 1 July 2013.

In 2013, the Company set up a joint-venture company MDR Myanmar Co. Ltd. (“MDR Myanmar”) with three other partners to provide after-market services and consultancy services to a related company, Golden Myanmar Sea Company Ltd (“GMS Myanmar”), in Myanmar. GMS Myanmar and Golden Myanmar SEA(S) Pte Ltd (“GMS Singapore”) are owned by two Myanmar shareholders, one of whom is a director of MDR Myanmar. GMS Myanmar is involved in the retail and distribution of mobile communication equipment in Myanmar, while GMS Singapore functions as a buying house for GMS Myanmar. The three above companies commenced active operations towards 4Q 2013.

Although the Company does not own any of the equity shares of GMS Myanmar and GMS Singapore, and consequently does not control any of the voting power of those shares, management has determined that the Group has acquired de facto control over these two companies via MDR Myanmar. This is because MDR Myanmar is able to direct the relevant activities of both GMS Myanmar and GMS Singapore, and has rights to variable returns from its involvement with these entities and has the ability to affect those returns through its power over the entities. Accordingly, the results of GMS Myanmar and GMS Singapore are included in the consolidated results of the Group with effect from October 2013.

mDR (S) Pte Ltd, a wholly owned subsidiary of the Company has changed its name to Shenzhen Quanli Leather (S) Pte Ltd (Quanli Singapore) in connection with the purchase of the customers list of Quanli (Hong Kong) Leather Company and the exclusive distribution of products manufactured by Shenzhen Quanli Leather Co. Ltd. Quanli Singapore has started operations in December 2013.

The breakdown of revenue and cost of goods sold and spare parts are as follows:

In S\$'000	4Q-13	4Q-12	YTD-13	YTD-12
<b>Revenue</b>				
AMS	8,459	9,232	35,961	28,144
DMS	93,531	85,919	307,851	291,540
DPAS	2,480	-	4,391	-
	<u>104,470</u>	<u>95,151</u>	<u>348,203</u>	<u>319,684</u>
<b>Cost of goods sold and spare parts</b>				
AMS	(6,531)	(7,439)	(28,260)	(22,064)
DMS	(86,963)	(78,255)	(282,639)	(265,129)
DPAS	(1,282)	-	(2,197)	-
	<u>(94,776)</u>	<u>(85,694)</u>	<u>(313,096)</u>	<u>(287,193)</u>
<b>Gross profit</b>				
AMS	1,928	1,793	7,701	6,080
DMS	6,568	7,664	25,212	26,411
DPAS	1,198	-	2,194	-
	<u>9,694</u>	<u>9,457</u>	<u>35,107</u>	<u>32,491</u>
<b>GP%</b>				
AMS	23%	19%	21%	22%
DMS	7%	9%	8%	9%
DPAS	48%	-	50%	-
	<u>9%</u>	<u>10%</u>	<u>10%</u>	<u>10%</u>

**Note 2** Other income consists of the following:

In S\$'000	4Q-13	4Q-12	YTD-13	YTD-12
Interest income	(20)	-	16	7
Rental income	185	220	763	1,080
Bad debts recovered - trade	3	-	3	-
Bad debts recovered - non-trade	-	-	-	11
Liabilities written back	72	-	186	-
Gain on disposal of a subsidiary	-	94	-	94
Others	71	21	183	251
	<u>311</u>	<u>335</u>	<u>1,151</u>	<u>1,443</u>

The negative interest income in 4Q-13 arose from the reversal of interest income charged by MDR Myanmar to GMS Myanmar in the previous quarter; the amount was reversed out in this quarter due to consolidation of GMS Myanmar into the Group results.

**Note 3** Administrative expenses

The administrative expenses comprise mainly staff cost.

In S\$'000	4Q-13	4Q-12	YTD-13	YTD-12
<b>Staff Cost</b>				
AMS	1,143	1,260	5,300	3,934
DMS	2,404	2,231	9,910	9,459
DPAS	328	-	554	-
Management and HQ support staff costs (including Directors' fees)	511	519	2,314	2,011
	<u>4,386</u>	<u>4,010</u>	<u>18,078</u>	<u>15,404</u>

Included in staff cost is share option expense of \$21,000 and \$61,000 in 4Q-13 and YTD-13 respectively (4Q-12: \$12,000 and YTD-12: \$56,000).

**Note 4** Other operating expenses

Other operating expenses consist of the following:

In S\$'000	4Q-13	4Q-12	YTD-13	YTD-12
Rental expenses	1,802	1,686	6,759	6,746
Amortisation expenses	162	-	162	-
Depreciation expenses	472	283	1,535	1,116
Plant and equipment written off	26	14	85	242
(Gain) Loss on disposal of plant and equipment	(4)	-	12	(23)
Allowance for doubtful trade receivables	12	-	75	-
Allowance for doubtful other receivables	25	-	25	-
Bad debts written off - trade	-	3	-	3
Bad debts written off - non-trade	-	3	-	3
Allowance for inventories	1,752	160	2,203	653
Inventories written off	17	-	22	-
Foreign exchange (gain) loss	(100)	8	(36)	45
	<u>4,164</u>	<u>2,157</u>	<u>10,842</u>	<u>8,785</u>

**Note 4** Other operating expenses (continued)

The amortisation expenses relate to the amortisation of the Group's purchased customer list of Quanli (Hong Kong) Leather Company, which has a finite useful life, over 38 months.

The increases in depreciation expenses in Q4-13 and YTD-13 were mainly due to inclusion of Pixio.

Substantially higher stock provision of \$1.8 million was made in 4Q-13 due to certain slow moving handset models.

**Note 5** Finance costs

Finance costs comprise interest on finance leases and short-term bank borrowings.

The finance costs in Q4-13 and YTD-13 have increased as a result of new bank borrowings during the year and finance costs arising from Pixio's finance leases consolidated into the group.

**Note 6** Income tax expenses

The write-back of prior year's tax and deferred tax provisions totalling \$0.4 million had resulted in a tax credit of \$0.2 million for 4Q-13, and consequently a lower overall tax expense of \$0.3 million for FY 2013.

**1(b)(i) Statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year**

In S\$'000	Notes	Group		Company	
		31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		18,501	17,620	5,292	9,902
Trade receivables	1	28,101	25,564	3,154	5,240
Other receivables and prepayments	2	5,708	4,186	17,587	14,153
Inventories	3	24,528	22,001	1,222	2,509
<b>Total current assets</b>		<u>76,838</u>	<u>69,371</u>	<u>27,255</u>	<u>31,804</u>
<b>Non-current assets</b>					
Investment in subsidiaries		-	-	21,142	14,436
Plant and equipment		4,601	2,843	731	846
Goodwill		5,344	2,350	-	-
Intangible asset	4	2,916	-	-	-
<b>Total non-current assets</b>		<u>12,861</u>	<u>5,193</u>	<u>21,873</u>	<u>15,282</u>
<b>Total assets</b>		<u>89,699</u>	<u>74,564</u>	<u>49,128</u>	<u>47,086</u>
<b>Current liabilities</b>					
Short-term bank borrowings		4,000	-	-	-
Trade payables	5	18,811	14,911	2,678	4,175
Other payables	6	11,595	9,099	3,851	2,337
Current portion of finance leases		432	86	71	68
Income tax payable		882	1,483	-	-
<b>Total current liabilities</b>		<u>35,720</u>	<u>25,579</u>	<u>6,600</u>	<u>6,580</u>
<b>Non-current liabilities</b>					
Finance leases		1,225	459	289	360
Deferred tax liabilities		206	225	-	-
<b>Total non-current liabilities</b>		<u>1,431</u>	<u>684</u>	<u>289</u>	<u>360</u>
<b>Capital, reserves and non-controlling interests</b>					
Share capital		135,873	132,856	135,873	132,856
Capital reserve		(859)	(859)	22	22
Share options reserve		1,538	1,548	1,538	1,548
Foreign currency translation reserve		100	168	-	-
Accumulated losses		(84,589)	(85,976)	(95,194)	(94,280)
<b>Equity attributable to owners of the Company</b>		<u>52,063</u>	<u>47,737</u>	<u>42,239</u>	<u>40,146</u>
Non-controlling interests		485	564	-	-
<b>Total equity</b>		<u>52,548</u>	<u>48,301</u>	<u>42,239</u>	<u>40,146</u>
<b>Total liabilities and equity</b>		<u>89,699</u>	<u>74,564</u>	<u>49,128</u>	<u>47,086</u>

## Notes

### 1 Trade receivables

The Group's trade receivables turnover as at 31 December 2013 is 28 days (31 December 2012: 28 days).

### 2 Other receivables and prepayments

The Group's other receivables and prepayments mainly consist of the following:

<b>S\$'000</b>	<b>31-Dec-13</b>	<b>31-Dec-12</b>
Rental deposits	2,119	2,008
Other receivables	2,944	1,856
Prepayments	358	187

Other receivables of \$2.9 million as at 31 December 2013 mainly comprised credit notes of \$1.7 million to be received from principals in relation to sell through, advertising and promotion support, and payments made on behalf of a manufacturer of \$0.5m.

### 3 Inventories

The Group's inventory turnover for the period ended 31 December 2013 is 27 days (31 December 2012: 24 days).

Group's inventories as at 31 December 2013 are \$24.5 million (31 December 2012: \$22.0 million), with the increase in inventory holding year on year mainly due to higher purchase volume for handsets and the inclusion of inventories held by Pixio, GMS Singapore and GMS Myanmar.

### 4 Intangible asset

The Group has recognised a \$3.1 million of intangible asset arising from the purchase of customers list from Quani (Hong Kong) Leather Company, to be amortised over a period of 38 months. The carrying value of the intangible asset as at 31 December 2013 is \$2.9 million.

### 5 Trade payables

The Group's trade payables turnover as at 31 December 2013 is 19 days (31 December 2012: 19 days).

### 6 Other payables

The Group's other payables consist of the following:

<b>S\$'000</b>	<b>31-Dec-13</b>	<b>31-Dec-12</b>
Advertising, promotion and sell through funds from principals	2,399	2,714
Scheduled deferred payment for acquisition of Pixio	3,145	-
Other payables to third parties	769	698
Accrued staff costs	1,065	1,561
Rebates owing to franchisees	1,529	1,321
Accrued purchases	73	244
Other accrued operating expenses	1,008	1,227

**1(b)(ii) Aggregate amount of Group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

As at 31-Dec-13		As at 31-Dec-12	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
432	4,000	86	-

**Amount repayable after one year**

As at 31-Dec-13		As at 31-Dec-12	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
1,225	-	459	-

**Details of collateral**

The secured borrowings comprise of outstanding finance lease of \$1.7 million on certain motor vehicles and machinery.

**1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

<b>In S\$'000</b>	<b>4Q-13</b>	<b>4Q-12</b>	<b>YTD-13</b>	<b>YTD-12</b>
<b>Operating activities</b>				
Profit before income tax	438	2,751	3,345	6,401
Adjustments for:				
Amortisation expenses	162	-	162	-
Depreciation expenses	472	283	1,535	1,116
Interest expenses	66	13	132	36
Interest income	20	-	(16)	(7)
(Gain) Loss on disposal of plant and equipment	(4)	-	12	(23)
Plant and equipment written off	26	14	85	242
Allowance for inventories	1,752	160	2,203	653
Inventories written off	17	-	22	-
Bad debts written off - trade	-	3	-	3
Bad debts written off - non-trade	-	3	-	3
Allowance for doubtful trade receivables	12	-	75	-
Allowance for doubtful other receivables	25	-	25	-
Gain arising from de-consolidation of disposed subsidia	-	(94)	-	(94)
Employee share-based payments	21	12	61	56
Liabilities written back	(72)	-	(186)	-
Net foreign exchange (gains) losses	(5)	(2)	(63)	1
<b>Operating cash flows before movements in working capital</b>	<b>2,930</b>	<b>3,143</b>	<b>7,392</b>	<b>8,387</b>
Trade receivables	(3,760)	(138)	273	(1,654)
Other receivables and prepayments	2,051	1,222	(1,393)	(959)
Inventories	1,495	209	(4,329)	(7,101)
Trade payables	321	(994)	3,381	(35)
Other payables	842	(2,252)	(932)	(2,567)
<b>Cash generated from (used in) operations</b>	<b>3,879</b>	<b>1,190</b>	<b>4,392</b>	<b>(3,929)</b>
Interest received	(20)	-	16	7
Income tax paid	(188)	(7)	(972)	(567)
<b>Net cash from (used in) operating activities</b>	<b>3,671</b>	<b>1,183</b>	<b>3,436</b>	<b>(4,489)</b>
<b>Investing activities</b>				
Proceeds from disposal of plant and equipment	35	3	98	127
Purchase of plant and equipment (Note A)	(97)	(254)	(1,848)	(1,195)
Purchase of customers list	(3,078)	-	(3,078)	-
Cash contribution from non-controlling interests	-	-	249	-
Net cash outflows on acquisition of subsidiary (Note B)	-	-	(2,571)	-
<b>Net cash used in investing activities</b>	<b>(3,140)</b>	<b>(251)</b>	<b>(7,150)</b>	<b>(1,068)</b>
<b>Financing activities</b>				
Interest paid	(66)	(13)	(132)	(36)
Cash pledged	-	-	-	2,000
Proceeds from issuance of ordinary shares, net	406	3,565	2,975	10,641
(Repayment of) Proceeds from bank borrowings	(2,900)	-	4,000	-
Repayment of obligations under finance leases	(89)	(21)	(277)	(81)
Dividends paid to shareholders	-	-	(2,017)	(2,076)
Dividends paid to non-controlling interest	-	(49)	-	(49)
<b>Net cash (used in) from financing activities</b>	<b>(2,649)</b>	<b>3,482</b>	<b>4,549</b>	<b>10,399</b>
Net (decrease) increase in cash and cash equivalents	(2,118)	4,414	835	4,842
Cash and cash equivalents at beginning of period	20,573	13,206	17,620	12,778
<b>Cash and cash equivalents at end of period</b>	<b>18,455</b>	<b>17,620</b>	<b>18,455</b>	<b>17,620</b>



## Notes

### A. Purchase of plant and equipment:

During the financial year, the Group acquired plant and equipment with an aggregate cost of \$2,345,000 (2012 : \$1,195,000) of which \$497,000 (2012 : \$Nil) was acquired under finance lease arrangements.

### B. Acquisition of subsidiary

On 1 July 2013, the Group acquired 100% of the issued share capital of Pixio for cash consideration of \$6.45 million. Pixio is incorporated in Malaysia and is in the business of providing design and digital inkjet printing solutions for Point Of Sale and OOH advertisements.

Assets acquired and liabilities assumed at the date of acquisition were as follows:

In S\$'000	4Q-13	4Q-12	YTD-13	YTD-12
Assets	-	-	5,352	-
Liabilities	-	-	(1,898)	-
Net assets acquired	-	-	3,454	-
Total purchase consideration	-	-	6,448	-
Goodwill arising on acquisition	-	-	2,994	-
Cash consideration	-	-	6,448	-
Less: Outstanding balance (Note 1)	-	-	(3,217)	-
Cash and cash balances acquired	-	-	(660)	-
Cash outflows on acquisition	-	-	2,571	-

Note 1: The outstanding balance was different from Note 6 on page 6 due to exchange translation at period end.

### C. Cash and cash equivalents at end of period comprise of:

In S\$'000	4Q-13	4Q-12
Cash	18,501	17,620
Less: Cash pledged	(46)	-
Cash and cash equivalents	18,455	17,620

**1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

<u>In S\$'000</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Share options reserve</u>	<u>Currency translation reserve</u>	<u>Accumulated losses</u>	<u>Attributable to equity holders</u>	<u>Non-controlling interests</u>	<u>Total</u>
<b>Group</b>								
<b>Balance as at 1 January 2013</b>	132,856	(859)	1,548	168	(85,976)	47,737	564	48,301
Total comprehensive income for the period	-	-	-	-	841	841	21	862
Reversal of expenses related to equity settled share-based payment	-	-	(29)	-	29	-	-	-
Issue of shares upon conversion of warrants	813	-	-	-	-	813	-	813
Recognition of share-based payments	-	-	15	-	-	15	-	15
<b>Balance as at 31 March 2013</b>	<u>133,669</u>	<u>(859)</u>	<u>1,534</u>	<u>168</u>	<u>(85,106)</u>	<u>49,406</u>	<u>585</u>	<u>49,991</u>
Total comprehensive income for the period	-	-	-	3	489	492	13	505
Dividends	-	-	-	-	(2,017)	(2,017)	-	(2,017)
Issue of shares upon share options exercised	153	-	(42)	-	-	111	-	111
Issue of shares upon conversion of warrants	793	-	-	-	-	793	-	793
Issue of shares for settlement of professional fees	470	-	-	-	-	470	-	470
Recognition of share-based payments	-	-	13	-	-	13	-	13
<b>Balance as at 30 June 2013</b>	<u>135,085</u>	<u>(859)</u>	<u>1,505</u>	<u>171</u>	<u>(86,634)</u>	<u>49,268</u>	<u>598</u>	<u>49,866</u>
Total comprehensive income for the period	-	-	-	(62)	1,019	957	(1)	956
Issue of shares upon conversion of warrants	382	-	-	-	-	382	-	382
Non-controlling interests arising from incorporation of subsidiary	-	-	-	-	-	-	249	249
Recognition of share-based payments	-	-	12	-	-	12	-	12
<b>Balance as at 30 September 2013</b>	<u>135,467</u>	<u>(859)</u>	<u>1,517</u>	<u>109</u>	<u>(85,615)</u>	<u>50,619</u>	<u>846</u>	<u>51,465</u>
Total comprehensive income for the period	-	-	-	(9)	1,026	1,017	(342)	675
Issue of shares upon conversion of warrants	406	-	-	-	-	406	-	406
Dividends to non-controlling interest	-	-	-	-	-	-	(19)	(19)
Recognition of share-based payments	-	-	21	-	-	21	-	21
<b>Balance as at 31 December 2013</b>	<u><u>135,873</u></u>	<u><u>(859)</u></u>	<u><u>1,538</u></u>	<u><u>100</u></u>	<u><u>(84,589)</u></u>	<u><u>52,063</u></u>	<u><u>485</u></u>	<u><u>52,548</u></u>

<u>In S\$'000</u> <u>Group</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Share options reserve</u>	<u>Currency translation reserve</u>	<u>Accumulated losses</u>	<u>Attributable to equity the</u>	<u>Non-controlling interests</u>	<u>Total</u>
<b>Balance as at 1 January 2012</b>	122,117	(859)	1,590	200	(89,416)	33,632	506	34,138
Total comprehensive income for the period	-	-	-	-	1,529	1,529	28	1,557
Issue of shares upon share options exercised	99	-	(27)	-	-	72	-	72
Issue of shares upon conversion of warrants	1,142	-	-	-	-	1,142	-	1,142
Recognition of share-based payments	-	-	24	-	-	24	-	24
<b>Balance as at 31 March 2012</b>	<u>123,358</u>	<u>(859)</u>	<u>1,587</u>	<u>200</u>	<u>(87,887)</u>	<u>36,399</u>	<u>534</u>	<u>36,933</u>
Total comprehensive income for the period	-	-	-	1	812	813	10	823
Dividends	-	-	-	-	(2,076)	(2,076)	-	(2,076)
Issue of shares upon share options exercised	253	-	(71)	-	-	182	-	182
Issue of shares upon conversion of warrants	4,163	-	-	-	-	4,163	-	4,163
Recognition of share-based payments	-	-	9	-	-	9	-	9
<b>Balance as at 30 June 2012</b>	<u>127,774</u>	<u>(859)</u>	<u>1,525</u>	<u>201</u>	<u>(89,151)</u>	<u>39,490</u>	<u>544</u>	<u>40,034</u>
Total comprehensive income for the period	-	-	-	2	781	783	18	801
Issue of shares upon conversion of warrants	1,517	-	-	-	-	1,517	-	1,517
Recognition of share-based payments	-	-	11	-	-	11	-	11
<b>Balance as at 30 September 2012</b>	<u>129,291</u>	<u>(859)</u>	<u>1,536</u>	<u>203</u>	<u>(88,370)</u>	<u>41,801</u>	<u>562</u>	<u>42,363</u>
Total comprehensive income for the period	-	-	-	(35)	2,394	2,359	51	2,410
Issue of shares upon conversion of warrants	3,565	-	-	-	-	3,565	-	3,565
Dividends paid to non-controlling interest	-	-	-	-	-	-	(49)	(49)
Recognition of share-based payments	-	-	12	-	-	12	-	12
<b>Balance as at 31 December 2012</b>	<u><u>132,856</u></u>	<u><u>(859)</u></u>	<u><u>1,548</u></u>	<u><u>168</u></u>	<u><u>(85,976)</u></u>	<u><u>47,737</u></u>	<u><u>564</u></u>	<u><u>48,301</u></u>

<b>In S\$'000</b>	<b>Share capital</b>	<b>Capital reserve</b>	<b>Share options reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
<b>Company</b>					
<b>Balance as at 1 January 2013</b>	132,856	22	1,548	(94,280)	40,146
Total comprehensive income for the period	-	-	-	(41)	(41)
Reversal of expenses related to equity settled share-based payments	-	-	(29)	29	-
Issue of shares upon conversion of warrants	813	-	-	-	813
Recognition of share-based payments	-	-	15	-	15
<b>Balance as at 31 March 2013</b>	<b>133,669</b>	<b>22</b>	<b>1,534</b>	<b>(94,292)</b>	<b>40,933</b>
Total comprehensive income for the period	-	-	-	2	2
Dividends	-	-	-	(2,017)	(2,017)
Issue of shares upon share options exercised	153	-	(42)	-	111
Issue of shares upon conversion of warrants	793	-	-	-	793
Issue of shares for settlement of professional fees	470	-	-	-	470
Recognition of share-based payments	-	-	13	-	13
<b>Balance as at 30 June 2013</b>	<b>135,085</b>	<b>22</b>	<b>1,505</b>	<b>(96,307)</b>	<b>40,305</b>
Total comprehensive income for the period	-	-	-	6	6
Issue of shares upon conversion of warrants	382	-	-	-	382
Recognition of share-based payments	-	-	12	-	12
<b>Balance as at 30 September 2013</b>	<b>135,467</b>	<b>22</b>	<b>1,517</b>	<b>(96,301)</b>	<b>40,705</b>
Total comprehensive income for the period	-	-	-	1,107	1,107
Issue of shares upon conversion of warrants	406	-	-	-	406
Recognition of share-based payments	-	-	21	-	21
<b>Balance as at 31 December 2013</b>	<b>135,873</b>	<b>22</b>	<b>1,538</b>	<b>(95,194)</b>	<b>42,239</b>
<b>Balance as at 1 January 2012</b>	122,117	22	1,590	(95,472)	28,257
Total comprehensive income for the period	-	-	-	364	364
Issue of shares upon share options exercised	99	-	(27)	-	72
Issue of shares upon conversion of warrants	1,142	-	-	-	1,142
Recognition of share-based payments	-	-	24	-	24
<b>Balance as at 31 March 2012</b>	<b>123,358</b>	<b>22</b>	<b>1,587</b>	<b>(95,108)</b>	<b>29,859</b>
Total comprehensive income for the period	-	-	-	444	444
Dividends	-	-	-	(2,076)	(2,076)
Issue of shares upon share options exercised	253	-	(71)	-	182
Issue of shares upon conversion of warrants	4,163	-	-	-	4,163
Recognition of share-based payments	-	-	9	-	9
<b>Balance as at 30 June 2012</b>	<b>127,774</b>	<b>22</b>	<b>1,525</b>	<b>(96,740)</b>	<b>32,581</b>
Total comprehensive income for the period	-	-	-	135	135
Issue of shares upon conversion of warrants	1,517	-	-	-	1,517
Recognition of share-based payments	-	-	11	-	11
<b>Balance as at 30 September 2012</b>	<b>129,291</b>	<b>22</b>	<b>1,536</b>	<b>(96,605)</b>	<b>34,244</b>
Total comprehensive income for the period	-	-	-	2,325	2,325
Issue of shares upon conversion of warrants	3,565	-	-	-	3,565
Recognition of share-based payments	-	-	12	-	12
<b>Balance as at 31 December 2012</b>	<b>132,856</b>	<b>22</b>	<b>1,548</b>	<b>(94,280)</b>	<b>40,146</b>

**1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

**Issued share capital**

In 4Q-13, the Company issued an additional 81,104,000 new ordinary shares at \$0.005 per share through conversion of 81,104,000 warrants.

As a result, the Company's issued and paid-up capital increased to \$135,872,731 divided into 8,981,891,673 shares as at 31 December 2013.

In 4Q-12, the Company issued an additional 713,043,000 new ordinary shares at \$0.005 per share through conversion of 713,043,000 warrants.

**Warrants**

At 31 December 2013, there were 3,761,784,195 (31 December 2012: 4,240,534,927) outstanding warrants. Each warrant carries the right to subscribe for one new share in the capital of the Company at an exercise price of \$0.005.

**Share options**

The Company has a share option scheme known as mDR Limited Share Option Scheme 2003 which was approved by members of the Company at the Extraordinary General Meeting held on 13 January 2003. The Scheme expired on 12 January 2013. Upon expiration of the Scheme, no further share option can be granted but the provisions of the Scheme will remain in full force and effect in respect of any share options granted prior to the expiration but not exercised at the time of expiration.

At 31 December 2013, there were 53,832,133 (31 December 2012: 55,539,274) outstanding share options which would entitle the holders to subscribe for a total of 53,832,133 (31 December 2012: 55,539,274) ordinary shares.

The 53,832,133 share options outstanding at 31 December 2013 are approximately 0.60% of the share capital consisting of 8,981,891,673 issued shares at 31 December 2013.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>Number of ordinary shares</b>	
	<b>31-Dec-13</b>	<b>31-Dec-12</b>
Issued and paid up	<u>8,981,891,673</u>	<u>8,446,831,386</u>

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

**2. Whether the figures have been audited, or reviewed and in accordance with which standard**

The figures have not been audited or reviewed by the auditors of the Company.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The same accounting policies and methods of computation adopted in the most recently audited annual financial statements have been applied except that:

- on 1 January 2013, the Group adopted the new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year; and
- the Group has early adopted the new standards, FRS 110 *Consolidated Financial Statements*, FRS 111 *Joint Arrangements* and FRS 112 *Disclosure of Interests in Other Entities*; together with the consequential amendments to other FRSs, FRS 27 (revised 2011) *Separate Financial Statements* and FRS 28 (revised 2011) *Investments in Associates and Joint Ventures*.

Changes arising from the adoption of these new or amended FRS and INT FRS are disclosed in item 5..

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The adoption of the new or amended FRS and INT FRS as disclosed in item 4 did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial periods except for the following:

*FRS 110 Consolidated Financial Statements and FRS 27 Separate Financial Statements* replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 Consolidation - Special Purpose Entities.

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 remains as a standard applicable only to separate financial statements.

On adoption of FRS 110, GMS Myanmar and GMS Singapore, which are newly incorporated during the year, have been treated as the Group's subsidiaries even though the Group's equity interest in these entities are Nil%.

The early adoption of FRS 110 has no impact to the results of the Group and the Company for the comparative period.

**6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

<b>Earnings per ordinary share</b> <i>(based on consolidated net profit attributable to equity holders of the Company)</i>	<b>4Q-13 cents</b>	<b>4Q-12 cents</b>	<b>YTD-13 cents</b>	<b>YTD-12 cents</b>
- Basic	0.012	0.033	0.038	0.075
- Fully diluted	<u>0.009</u>	<u>0.023</u>	<u>0.029</u>	<u>0.053</u>

Basic earnings per ordinary share is computed based on the weighted average number of shares in issue during the period of 8,782,494,735 (4Q-12: 7,306,161,886).

Fully diluted earnings per ordinary share is computed based on the weighted average number of shares during the period adjusted for the effect of all potential dilutive ordinary shares of 11,565,948,806 (4Q-12: 10,403,265,590).

**7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-13 Cents</b>	<b>31-Dec-12 Cents</b>	<b>31-Dec-13 Cents</b>	<b>31-Dec-12 Cents</b>
Net Asset Value ("NAV") per share	<u>0.58</u>	<u>0.57</u>	<u>0.47</u>	<u>0.48</u>

The NAV per share as at 31 December 2013 is calculated based on 8,981,891,673 (31 December 2012: 8,446,831,386) ordinary shares.

**8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on**

**Revenue and profit after income tax**

The Group's revenue quarter-on-quarter increased by 10% from \$95.2 million to \$104.5 million, with a 9% increase year-on-year from \$319.7 million to \$348.2 million. The increase in revenue was mainly due to higher contributions from its prepaid-cards business and consolidation of the DPAS division. For year-to-date revenue, the increase was mainly due to higher revenue contribution from its AMS business, retail and prepaid-cards businesses, and contribution from new subsidiary DPAS of S\$4.4 million for 6 months.

Quarter on quarter gross margin declined due to intense competition in the mobile distribution and retail business. Year on year gross margin remained unchanged, assisted by the high-margin DPAS operations.

The Group's net profits decreased from \$2.4 million to \$0.7 million quarter-on-quarter mainly due to a higher level of stock provision being made, from \$0.2 million to \$1.8 million, arising from certain slow moving handset models.

Due to higher stock provision and higher operating expenses such as manpower costs, net profits for the Group declined by 45% from \$5.6 million to \$3.1 million year-on-year.

#### **Cash flows**

As at 31 December 2013, the Group's working capital decreased by \$2.7 million to \$41.1 million, compared to \$43.8 million as at 31 December 2012, mainly due to cash payments made towards the acquisition of Pixio, and the customers list from Quanli (Hong Kong).

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

The Group's DMS business continues to face margin pressures in the highly competitive mobile retail and distribution industry. Selective cost management initiatives to help improve DMS' overall profit margins will be a key consideration for the new financial year.

Pixio has made a promising start in the Group. Efforts are being made to broaden its product and customer mix, which are expected to improve margins.

The Group's Myanmar operations as anticipated is slow. The two foreign telecommunication operators Ooredoo and Telenor have signed a nationwide telecommunication licence agreement with the Myanmar Government on 30 January 2014, and the rollout of mobile communication services across Myanmar is expected to start in early 2015, after which prospects for our Myanmar operations are expected to improve.

**11. A breakdown of sales as follows:-**

<b>In S\$'000</b>	<b>FY2013</b>	<b>FY2012</b>	<b>Inc/(Dec)</b>
Sales reported for first half year	160,828	143,564	12%
Operating profit after tax before deducting non-controlling interests reported for first half year	1,364	2,379	-43%
Sales reported for second half year	187,375	176,120	6%
Operating profit after tax before deducting non-controlling interests reported for second half year	1,707	3,244	-47%



## 12. Dividend

### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes (Proposed, see note (c) )

Name of Dividend	First and Final
Dividend Type	Cash
Dividend per share	See note below
Dividend Amount	\$1 million (approximate)
Tax rate	Tax exempt (One-Tier tax)

Issued shares as at 27 February 2014 is 8,990,982,582. On the basis that no warrants are converted and no employee share options are exercised prior to Book Closure Date, the dividend per share will be 0.011 cents. However, if all outstanding warrants of 3,761,784,195 and employee share options of 15,581,000 are converted and exercised respectively, before Book Closure Date, the dividend per share will be reduced to approximately 0.007 cents.

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend per share	\$0.00023 per share
Dividend Amount	\$2,017,000
Tax rate	Tax exempt (One-Tier tax)

### **(c) Date payable**

Subject to shareholders' approval at the Annual General Meeting proposed to be held on 30 April 2014, the proposed first and final dividend will be paid on 22 May 2014.

### **(d) Books closure date**

The Share Transfer Books and Register of Members of the Company will be closed from 8 May 2014 after 5.00 p.m. to 9 May 2014 for the preparation of determining shareholders' entitlements to the first and final (tax exempt one-tier) dividends. For Proposed Dividend on a per share basis, please refer to note 12 (a).

Duly completed registration transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, Singapore Land Tower #32-01 Singapore 048623 up to 5.00 p.m. on 8 May 2014 will be registered to determine shareholders' entitlements to the Proposed Dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8 May 2014 will be entitled to the abovementioned Proposed Dividend.

13. **If no dividend has been declared/recommended, a statement to that effect**

Not applicable

14. **Segment revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

For management purposes, the Group is organised in three business segments, After-Market Services ("AMS"), Distribution Management Solutions ("DMS") and Digital Inkjet Printing for Out Of Home (OOH) Advertising Solutions (DPAS).

AMS provides after market repair services for telecommunication devices and consumer electronic products; DMS is a distributor and retailer of telecommunication devices and mobile related services and DPAS provides digital inkjet printing for point-of-sale and out of home advertisements. The segments are the basis which the Group reports information to the Group's chief operating decision maker for the purposes of resource allocation and assessment of the segment information.

**(a) Business Segments**

<b>FY2013 \$'000</b>	<b>AMS</b>	<b>DMS</b>	<b>DPAS</b>	<b>Unallocated</b>	<b>Total</b>
<b>Segment revenue</b>					
External	35,961	307,851	4,391	-	348,203
Inter-segment	-	-	-	-	-
	<u>35,961</u>	<u>307,851</u>	<u>4,391</u>	<u>-</u>	<u>348,203</u>
<b>Segment result</b>					
Rental income	(1,766)	3,192	1,264	-	2,690
Net foreign exchange gain	-	763	-	-	763
Loss on disposal of plant and equipment					36
Finance costs					(12)
					(132)
Profit before income tax					<u>3,345</u>
Income tax expense					<u>(274)</u>
Net profit for the year					<u>3,071</u>
<b>Segment assets</b>	<u>10,792</u>	<u>69,350</u>	<u>9,557</u>	<u>-</u>	<u>89,699</u>
<b>Segment liabilities</b>	<u>(6,934)</u>	<u>(26,887)</u>	<u>(2,242)</u>	<u>(1,088)</u>	<u>(37,151)</u>
<b>Other segment information</b>					
Capital expenditure	173	1,460	712	-	2,345
Amortisation and depreciation	275	1,173	249	-	1,697

<b>FY2012 \$'000</b>	<b>AMS</b>	<b>DMS</b>	<b>DPAS</b>	<b>Unallocated</b>	<b>Total</b>
<b>Segment revenue</b>					
External	28,144	291,540	-	-	319,684
Inter-segment	-	-	-	-	-
	<u>28,144</u>	<u>291,540</u>	<u>-</u>	<u>-</u>	<u>319,684</u>
<b>Segment result</b>					
Rental income	(849)	6,134	-	-	5,285
Gain from disposal of a subsidiary	-	1,080	-	-	1,080
Net foreign exchange loss	94	-	-	-	94
Gain on disposal of plant and equipment					(45)
Finance costs					23
					(36)
Profit before income tax					<u>6,401</u>
Income tax expense					<u>(778)</u>
Net profit for the year					<u>5,623</u>
<b>Segment assets</b>	<u>18,564</u>	<u>56,000</u>	<u>-</u>	<u>-</u>	<u>74,564</u>
<b>Segment liabilities</b>	<u>(6,385)</u>	<u>(18,170)</u>	<u>-</u>	<u>(1,708)</u>	<u>(26,263)</u>
<b>Other segment information</b>					
Capital expenditure	391	804	-	-	1,195
Depreciation	185	931	-	-	1,116

**(b) Geographical segment**

**Segment revenue**

	<b>Revenue from external customers</b>	
	<b>FY2013 \$'000</b>	<b>FY2012 \$'000</b>
Singapore	343,664	318,432
Malaysia	4,391	1,252
Myanmar	148	-
	<u>348,203</u>	<u>319,684</u>

**Segment Non-current assets**

	<b>Non-current assets</b>	
	<b>FY2013 \$'000</b>	<b>FY2012 \$'000</b>
Singapore	8,232	5,191
Malaysia	4,526	2
Myanmar	103	-
Total	<u>12,861</u>	<u>5,193</u>

**15. Interested Person Transactions**

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
	\$'000	\$'000
Pacific Organisation Pte Ltd - Rental expenses	435	-
Mr Tham Khai Wor - Introducer fee for Pixio	97	-
- Advisory fee	48	-
- Others	16	-
<b>Total</b>	<b>596</b>	<b>-</b>

**16. Use of proceeds**

The following sets out the status of the use of proceeds from the conversion of warrants pursuant to the renounceable non-underwritten rights cum warrants issue undertaken by the Company in 2011.

	S\$'000
Balance of proceeds as at 1 September 2013	3,320
Proceeds received for the period	406
Utilisation towards general working capital - third party payments, including suppliers invoices	(3,000)
Balance of proceeds as at 31 December 2013	<u>726</u>

The use of proceeds is in accordance with the intended use of the net proceeds as described in the Offer Information Statement dated 1 September 2011.

17. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual.**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, any, during the year
Ong Ghim Chwee	49	Brother of Ong Ghim Choon (Group Executive Director and Chief Executive Officer)	Director (Accessories and Logistics) of Distribution Management Solutions Pte Ltd since January 2006).	No changes

**BY ORDER OF THE BOARD**

**Ong Ghim Choon**  
**Chief Executive Officer**  
**27 February 2014**