

mDR Limited

Full Year and Fourth Quarter Financial Statements for the Period Ended 31 December 2015

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-15	4Q-14	Inc/(Dec) %	YTD-15	YTD-14	Inc/(Dec) %
Revenue	1	85,858	96,667	-11%	318,946	322,186	-1%
Cost of sales	1	<u>(77,908)</u>	<u>(87,866)</u>	-11%	<u>(288,588)</u>	<u>(289,779)</u>	0%
Gross profit	1	7,950	8,801	-10%	30,358	32,407	-6%
Other income	2	454	275	65%	1,211	900	35%
Administrative expenses	3	(5,519)	(5,005)	10%	(20,853)	(21,459)	-3%
Other operating expenses	4	(1,896)	(10,727)	-82%	(7,540)	(21,152)	-64%
Finance costs	5	<u>(26)</u>	<u>(80)</u>	-68%	<u>(129)</u>	<u>(252)</u>	-49%
Total expenses		<u>(7,441)</u>	<u>(15,812)</u>	-53%	<u>(28,522)</u>	<u>(42,863)</u>	-33%
Operating profit (loss) before amortisation expense, share of losses of associate and income tax		<u>963</u>	<u>(6,736)</u>	<i>N.M.</i>	<u>3,047</u>	<u>(9,556)</u>	<i>N.M.</i>
Amortisation expense	6	-	(254)	<i>N.M.</i>	-	(995)	<i>N.M.</i>
Share of losses of associate		<u>4</u>	<u>-</u>	<i>N.M.</i>	<u>(6)</u>	<u>-</u>	<i>N.M.</i>
Profit (Loss) before income tax		967	(6,990)	<i>N.M.</i>	3,041	(10,551)	<i>N.M.</i>
Income tax credit (expense)	7	<u>180</u>	<u>(72)</u>	<i>N.M.</i>	<u>7</u>	<u>(352)</u>	<i>N.M.</i>
Profit (Loss) for the period		<u>1,147</u>	<u>(7,062)</u>	<i>N.M.</i>	<u>3,048</u>	<u>(10,903)</u>	<i>N.M.</i>
Other comprehensive loss							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Currency translation differences arising on consolidation		<u>(149)</u>	<u>(154)</u>	-3%	<u>(695)</u>	<u>(72)</u>	865%
Other comprehensive loss for the period, net of tax		<u>(149)</u>	<u>(154)</u>	-3%	<u>(695)</u>	<u>(72)</u>	865%
Total comprehensive income (loss) for the period		<u>998</u>	<u>(7,216)</u>	<i>N.M.</i>	<u>2,353</u>	<u>(10,975)</u>	<i>N.M.</i>
Profit (Loss) attributable to:							
Owners of the Company		1,369	(6,537)	<i>N.M.</i>	4,060	(9,675)	<i>N.M.</i>
Non-controlling interests		<u>(222)</u>	<u>(525)</u>	-58%	<u>(1,012)</u>	<u>(1,228)</u>	-18%
		<u>1,147</u>	<u>(7,062)</u>	<i>N.M.</i>	<u>3,048</u>	<u>(10,903)</u>	<i>N.M.</i>
Total comprehensive income (loss) attributable to:							
Owners of the Company		1,107	(6,662)	<i>N.M.</i>	3,332	(9,716)	<i>N.M.</i>
Non-controlling interests		<u>(109)</u>	<u>(554)</u>	-80%	<u>(979)</u>	<u>(1,259)</u>	-22%
		<u>998</u>	<u>(7,216)</u>	<i>N.M.</i>	<u>2,353</u>	<u>(10,975)</u>	<i>N.M.</i>

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 Advertising Solutions (DPAS).

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

In S\$'000	4Q-15	4Q-14	YTD-15	YTD-14
Revenue				
AMS	6,805	5,224	22,211	22,346
DMS	77,295	89,825	289,921	292,630
DPAS	1,758	1,618	6,814	7,210
	<u>85,858</u>	<u>96,667</u>	<u>318,946</u>	<u>322,186</u>
Cost of goods sold and spare parts				
AMS	(5,147)	(3,682)	(16,038)	(16,121)
DMS	(71,641)	(83,293)	(268,421)	(269,712)
DPAS	(1,120)	(891)	(4,129)	(3,946)
	<u>(77,908)</u>	<u>(87,866)</u>	<u>(288,588)</u>	<u>(289,779)</u>
Gross profit				
AMS	1,658	1,542	6,173	6,225
DMS	5,654	6,532	21,500	22,918
DPAS	638	727	2,685	3,264
	<u>7,950</u>	<u>8,801</u>	<u>30,358</u>	<u>32,407</u>
GP%				
AMS	24%	30%	28%	28%
DMS	7%	7%	7%	8%
DPAS	36%	45%	39%	45%
	<u>9%</u>	<u>9%</u>	<u>10%</u>	<u>10%</u>

Note 2 Other income consists of the following:

In S\$'000	4Q-15	4Q-14	YTD-15	YTD-14
Interest income	36	22	133	44
Rental income	(22)	87	138	414
Bad debts recovered - trade	-	-	24	-
Liabilities written back	135	2	155	64
Others	305	164	761	378
	<u>454</u>	<u>275</u>	<u>1,211</u>	<u>900</u>

The negative rental income in 4Q-15 arose from a reclassification of rental income received from other income to revenue.

Note 3 Administrative expenses

The administrative expenses comprise mainly staff cost.

In S\$'000	4Q-15	4Q-14	YTD-15	YTD-14
Staff Cost				
AMS	1,282	1,014	4,554	4,423
DMS	2,388	2,487	9,392	9,934
DPAS	145	215	849	893
Management and HQ support staff costs (including Directors' fees)	645	446	2,329	2,119
	<u>4,460</u>	<u>4,162</u>	<u>17,124</u>	<u>17,369</u>

Included in staff cost is share option expense of \$9,000 and \$39,000 in 4Q-15 and YTD-15 respectively (4Q-14: \$11,000 and YTD-14: \$47,000).

Note 4 Other operating expenses

Other operating expenses consist of the following:

In S\$'000	4Q-15	4Q-14	YTD-15	YTD-14
Rental expenses	1,314	1,637	5,564	6,758
Depreciation expenses	445	459	1,634	1,863
Plant and equipment written off	-	57	59	75
Loss on disposal of plant and equipment	1	9	4	15
(Reversal of impairment) / Impairment of plant and equipment	(42)	319	(42)	319
Impairment on available-for-sale investment	-	493	-	493
Goodwill written off	-	2,350	-	2,350
Intangible asset written off	-	2,061	-	2,061
Allowance (Reversal) for doubtful trade receivables	18	1,432	(346)	1,451
(Reversal) Allowance for doubtful other receivables	(1)	443	(194)	450
Bad debts written off - trade	46	12	47	14
Bad debts written off - non-trade	3	-	3	-
Allowance for inventories	474	253	1,186	4,054
Inventories written off	4	-	30	-
(Reversal) / Provision for restructuring costs	(563)	1,429	(563)	1,429
Foreign exchange losses / (gain)	197	(227)	158	(180)
	<u>1,896</u>	<u>10,727</u>	<u>7,540</u>	<u>21,152</u>

Lower allowance for inventories in YTD-15 compared to the corresponding periods in year 2014 was due mainly to a one-off specific provision of \$3.07 million made for slow moving handsets and accessories.

Note 5 Finance costs

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

Note 6 Amortisation expense

The amortisation expenses were related to the Group's purchased customer list of Quanli (Hong Kong) Leather Company, which was amortised over a period of 38 months. The carrying amount of the customer list was fully impaired in year 2014.

Note 7 Income tax credit / (expense)

The tax credit arose from the reversal of excess tax provision made for prior years. Income tax expense is calculated for profitable subsidiaries before group relief is taken into consideration.

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-15	Restated 31-Dec-14	31-Dec-15	31-Dec-14
ASSETS					
Current assets					
Cash and bank balances		30,849	31,744	19,154	17,968
Trade receivables	1	18,763	24,812	2,873	2,083
Other receivables and prepayments	2	5,877	11,187	17,437	19,108
Inventories	3	17,541	17,490	1,735	1,351
Total current assets		<u>73,030</u>	<u>85,233</u>	<u>41,199</u>	<u>40,510</u>
Non-current assets					
Investment in subsidiaries		-	-	20,895	20,836
Investment in an associate		8	-	-	-
Prepayments	2	86	-	-	-
Plant and equipment	4	4,190	4,014	382	496
Goodwill		2,798	2,798	-	-
Total non-current assets		<u>7,082</u>	<u>6,812</u>	<u>21,277</u>	<u>21,332</u>
Total assets		<u>80,112</u>	<u>92,045</u>	<u>62,476</u>	<u>61,842</u>
Current liabilities					
Short-term bank borrowings		-	2,550	-	-
Trade payables	5	10,204	17,081	2,214	1,371
Other payables	6	7,545	11,651	1,244	2,458
Current portion of finance leases		419	495	80	76
Income tax payable		175	544	-	-
Total current liabilities		<u>18,343</u>	<u>32,321</u>	<u>3,538</u>	<u>3,905</u>
Non-current liabilities					
Finance leases		887	1,138	133	213
Deferred tax liabilities		151	169	-	-
Total non-current liabilities		<u>1,038</u>	<u>1,307</u>	<u>133</u>	<u>213</u>
Capital, reserves and non-controlling interests					
Share capital		153,652	153,652	153,652	153,652
Capital reserve		(859)	(859)	22	22
Share options reserve		316	277	316	277
Foreign currency translation reserve		(672)	56	-	-
Accumulated losses		(89,878)	(93,938)	(95,185)	(96,227)
Equity attributable to owners of the Company		<u>62,559</u>	<u>59,188</u>	<u>58,805</u>	<u>57,724</u>
Non-controlling interests		(1,828)	(771)	-	-
Total equity		<u>60,731</u>	<u>58,417</u>	<u>58,805</u>	<u>57,724</u>
Total liabilities and equity		<u>80,112</u>	<u>92,045</u>	<u>62,476</u>	<u>61,842</u>

Notes

1 Trade receivables

The Group's trade receivables turnover as at 31 December 2015 is 25 days (31 December 2014: 30 days).

2 Other receivables and prepayments

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

S\$'000	31-Dec-15	31-Dec-14
Rental deposits	1,518	1,828
Other receivables	3,449	7,477
Prepayments - current	618	422
Prepayments – non-current	86	-

Other receivables of \$3.4 million as at 31 December 2015 comprised mainly \$2.7 million to be received from principals in relation to sell through, advertising and promotion support, as compared to \$5.7 million as at 31 December 2014 which is consistent with the sell through volume of handsets.

Prepayments of \$0.7 million as at 31 December 2015 comprised mainly of prepaid rentals for premises of \$0.4 million.

3 Inventories

The Group's inventory turnover for the period ended 31 December 2015 is 22 days (31 December 2014: 26 days).

4 Goodwill

Management has restated the goodwill arising from the acquisition of Pixio Sdn Bhd due to the adjustment made to the fair value of the identifiable net assets acquired. As the adjustment was made after the measurement period i.e. more than 1 year from the acquisition date on July 1, 2013, management has effected the adjustment in accordance with FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

5 Trade payables

The Group's trade payables turnover as at 31 December 2015 is 17 days (31 December 2014: 22 days).

6 Other payables

The Group's other payables consist of the following:

S\$'000	31-Dec-15	31-Dec-14
Advertising and promotion funds from principals	1,411	1,476
Scheduled deferred payment for acquisition of Pixio	-	1,895
Other payables to third parties	567	575
Accrued staff costs	1,270	808
Rebates owing to franchisees	376	758
Accrued purchases	332	1,173
Provision for restructuring costs	123	1,429
Other accrued operating expenses	896	957

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-15		As at 31-Dec-14	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
419	-	495	2,550

Amount repayable after one year

As at 31-Dec-15		As at 31-Dec-14	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
887	-	1,138	-

Details of collateral

The secured borrowings comprise of outstanding finance lease of \$1.3 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**

In S\$'000	4Q-15	4Q-14	YTD-15	YTD-14
Operating activities				
Profit (Loss) before income tax	967	(6,990)	3,041	(10,551)
Adjustments for:				
Amortisation expense	-	254	-	995
Depreciation expenses	445	459	1,634	1,863
Interest expenses	26	80	129	252
Interest income	(36)	(22)	(133)	(44)
Loss on disposal of plant and equipment	1	9	4	15
Plant and equipment written off	-	57	59	75
Allowance for inventories	474	253	1,186	4,054
Inventories written off	4	-	30	-
Bad debts written off - trade	46	12	47	14
Bad debts written off - non-trade	3	-	3	-
(Reversal) Allowance for doubtful trade receivables	18	1,432	(346)	1,451
(Reversal) Allowance for doubtful other receivables	(1)	443	(194)	450
Professional fees paid by shares	-	-	-	100
Employee share-based payments	9	11	39	47
Liabilities written back	(135)	(2)	(155)	(64)
(Reversal) Impairment on plant and equipment	(42)	319	(42)	319
Impairment on available-for-sale investment	-	493	-	493
Goodwill written off	-	2,350	-	2,350
Intangible asset written off	-	2,061	-	2,061
(Reversal) Provision for restructuring costs	(563)	1,429	(563)	1,429
Share of (profits) losses of associate	(4)	-	6	-
Net foreign exchange gains	(147)	(207)	(547)	(204)
Operating cash flows before movements in working capital	1,065	2,441	4,198	5,105
Trade receivables	(2,309)	(7,770)	6,348	1,824
Other receivables and prepayments	2,390	(2,118)	5,287	(5,489)
Inventories	3,635	6,521	(1,267)	2,984
Trade payables	(4,313)	2,912	(6,737)	(1,730)
Other payables	(2,146)	766	(3,598)	(1,290)
Cash generated from operations	(1,678)	2,752	4,231	1,404
Interest received	36	22	133	44
Income tax refund (paid)	135	(155)	(252)	(971)
Net cash (used in) from operating activities	(1,507)	2,619	4,112	477
Investing activities				
Proceeds from disposal of plant and equipment	5	34	144	73
Purchase of plant and equipment (Note A)	(321)	(452)	(1,968)	(1,300)
Purchase of available-for-sale investment	-	-	-	(493)
Acquisition of investment in an associate	-	-	(15)	-
Net cash used in investing activities	(316)	(418)	(1,839)	(1,720)
Financing activities				
Interest paid	(26)	(80)	(129)	(252)
Proceeds from issuance of ordinary shares, net	-	(4)	-	17,679
Repayment of bank borrowings	-	(4,350)	(2,550)	(1,450)
Repayment of obligations under finance leases	(107)	(132)	(484)	(489)
Dividends paid to shareholders	-	-	-	(982)
Dividends paid to non-controlling interest	-	-	-	(19)
Net cash (used in) from financing activities	(133)	(4,566)	(3,163)	14,487
Net (decrease) increase in cash and cash equivalents	(1,956)	(2,365)	(890)	13,244
Cash and cash equivalents at beginning of period	32,765	34,064	31,699	18,455
Cash and cash equivalents at end of period	30,809	31,699	30,809	31,699

Notes

A. Purchase of plant and equipment:

In 4Q-15, the Group acquired plant and equipment with an aggregate cost of \$609,000 (4Q-14: \$452,000) of which \$288,000 (2014: \$Nil) was acquired under finance lease arrangements.

In YTD-15, the Group acquired plant and equipment with an aggregate cost of \$2,256,000 (YTD-14: \$1,791,000) of which \$288,000 (2014: \$491,000) was acquired under finance lease arrangements.

B. Cash and cash equivalents at end of period comprise of:

In S\$'000	4Q-15	4Q-14
Cash	30,849	31,744
Less: Cash pledged	(40)	(45)
Cash and cash equivalents	<u>30,809</u>	<u>31,699</u>

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> Group	<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>
Balance as at 1 January 2015	153,652	(859)	277	56	(93,938)	59,188	(771)	58,417
Total comprehensive income for the period								
Profit for the period	-	-	-	-	684	684	50	734
Other comprehensive income for the period	-	-	-	(156)	-	(156)	(48)	(204)
Total	-	-	-	(156)	684	528	2	530
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	11	-	-	11	-	11
Total	-	-	11	-	-	11	-	11
Balance as at 31 March 2015	153,652	(859)	288	(100)	(93,254)	59,727	(769)	58,958
Total comprehensive income for the period								
Profit for the period	-	-	-	-	964	964	(255)	709
Other comprehensive income for the period	-	-	-	(33)	-	(33)	30	(3)
Total	-	-	-	(33)	964	931	(225)	706
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	10	-	-	10	-	10
Total	-	-	10	-	-	10	-	10
Balance as at 30 June 2015	153,652	(859)	298	(133)	(92,290)	60,668	(994)	59,674
Total comprehensive income for the period								
Profit for the period	-	-	-	-	1,043	1,043	(585)	458
Other comprehensive income for the period	-	-	-	(277)	-	(277)	(62)	(339)
Total	-	-	-	(277)	1,043	766	(647)	119
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	9	-	-	9	-	9
Total	-	-	9	-	-	9	-	9
Balance as at 30 September 2015	153,652	(859)	307	(410)	(91,247)	61,443	(1,641)	59,802

<u>In S\$'000</u> Group	Share capital	Capital reserve	Share options reserve	Currency translation reserve	Accumulated losses	Attributable to equity the	Non-controlling interests	Total
Balance as at 1 October 2015	153,652	(859)	307	(410)	(91,247)	61,443	(1,641)	59,802
Total comprehensive income for the period								
Profit for the period	-	-	-	-	1,369	1,369	(222)	1,147
Other comprehensive income for the period	-	-	-	(262)	-	(262)	113	(149)
Total	-	-	-	(262)	1,369	1,107	(109)	998
Transactions with owners, recognised directly in equity								
Dividends paid to non-controlling interest	-	-	-	-	-	-	(78)	(78)
Recognition of share-based payments	-	-	9	-	-	9	-	9
Total	-	-	9	-	-	9	(78)	(69)
Balance as at 31 December 2015	153,652	(859)	316	(672)	(89,878)	62,559	(1,828)	60,731

<u>In S\$'000</u> Group	<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>
Balance as at 1 January 2014	135,873	(859)	1,538	100	(84,589)	52,063	485	52,548
Total comprehensive income for the period								
Profit for the period	-	-	-	-	81	81	(249)	(168)
Other comprehensive income for the period	-	-	-	76	-	76	-	76
Total	-	-	-	76	81	157	(249)	(92)
Transactions with owners, recognised directly in equity								
Reversal of expenses related to equity settled								
share-based payment	-	-	(10)	-	10	-	-	-
Issue of shares upon conversion of warrants	142	-	-	-	-	142	-	142
Issue of shares for settlement of								
professional fees	100	-	-	-	-	100	-	100
Recognition of share-based payments	-	-	13	-	-	13	-	13
Total	242	-	3	-	10	255	-	255
Balance as at 31 March 2014	136,115	(859)	1,541	176	(84,498)	52,475	236	52,711
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	(110)	(110)	(169)	(279)
Other comprehensive income for the period	-	-	-	25	-	25	8	33
Total	-	-	-	25	(110)	(85)	(161)	(246)
Transactions with owners, recognised directly in equity								
Dividends	-	-	-	-	(982)	(982)	-	(982)
Reversal of expenses related to equity settled								
share-based payment	-	-	(1,298)	-	1,298	-	-	-
Issue of shares upon conversion of warrants	4,057	-	-	-	-	4,057	-	4,057
Recognition of share-based payments	-	-	12	-	-	12	-	12
Total	4,057	-	(1,286)	-	316	3,087	-	3,087
Balance as at 30 June 2014	140,172	(859)	255	201	(84,292)	55,477	75	55,552

<u>In S\$'000</u> Group	<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>
Balance as at 1 July 2014	140,172	(859)	255	201	(84,292)	55,477	75	55,552
Total comprehensive income for the period								
Loss for the period	-	-	-	-	(3,109)	(3,109)	(285)	(3,394)
Other comprehensive income for the period	-	-	-	(17)	-	(17)	(10)	(27)
Total	-	-	-	(17)	(3,109)	(3,126)	(295)	(3,421)
Transactions with owners, recognised directly in equity								
Issue of shares upon conversion of warrants	13,484	-	-	-	-	13,484	-	13,484
Recognition of share-based payments	-	-	11	-	-	11	-	11
Total	13,484	-	11	-	-	13,495	-	13,495
Balance as at 30 September 2014	153,656	(859)	266	184	(87,401)	65,846	(220)	65,626
Total comprehensive loss for the period								
Loss for the period	-	-	-	-	(6,537)	(6,537)	(525)	(7,062)
Other comprehensive income for the period	-	-	-	(128)	-	(128)	(26)	(154)
Total	-	-	-	(128)	(6,537)	(6,665)	(551)	(7,216)
Transactions with owners, recognised directly in equity								
Expenses relating to conversion of warrants	(4)	-	-	-	-	(4)	-	(4)
Recognition of share-based payments	-	-	11	-	-	11	-	11
Total	(4)	-	11	-	-	7	-	7
Balance as at 31 December 2014	153,652	(859)	277	56	(93,938)	59,188	(771)	58,417

<u>In S\$'000</u> Company	<u>Share capital</u>	<u>Capital reserve</u>	<u>Share options reserve</u>	<u>Accumulated losses</u>	<u>Total</u>
Balance as at 1 January 2015	153,652	22	277	(96,227)	57,724
Profit for the period, representing total comprehensive profit for the period	-	-	-	118	118
Transactions with owners, recognised directly in equity					
Recognition of share-based payments	-	-	11	-	11
Total	-	-	11	-	11
Balance as at 31 March 2015	153,652	22	288	(96,109)	57,853
Loss for the period, representing total comprehensive loss for the period	-	-	-	(194)	(194)
Transactions with owners, recognised directly in equity					
Recognition of share-based payments	-	-	10	-	10
Total	-	-	10	-	10
Balance as at 30 June 2015	153,652	22	298	(96,303)	57,669
Profit for the period, representing total comprehensive profit for the period	-	-	-	172	172
Transactions with owners, recognised directly in equity					
Recognition of share-based payments	-	-	9	-	9
Total	-	-	9	-	9
Balance as at 30 September 2015	153,652	22	307	(96,131)	57,850
Profit for the period, representing total comprehensive profit for the period	-	-	-	946	946
Transactions with owners, recognised directly in equity					
Recognition of share-based payments	-	-	9	-	9
Total	-	-	9	-	9
Balance as at 31 December 2015	<u>153,652</u>	<u>22</u>	<u>316</u>	<u>(95,185)</u>	<u>58,805</u>

<u>In S\$'000</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Share options reserve</u>	<u>Accumulated losses</u>	<u>Total</u>
Company					
Balance as at 1 January 2014	135,873	22	1,538	(95,194)	42,239
Loss for the period, representing total comprehensive loss for the period	-	-	-	(276)	(276)
Transactions with owners, recognised directly in equity					
Reversal of expenses related to equity settled share-based payment	-	-	(10)	10	-
Issue of shares upon conversion of warrants	142	-	-	-	142
Issue of shares for settlement of professional fees	100	-	-	-	100
Recognition of share-based payments	-	-	13	-	13
Total	<u>242</u>	<u>-</u>	<u>3</u>	<u>10</u>	<u>255</u>
Balance as at 31 March 2014	<u>136,115</u>	<u>22</u>	<u>1,541</u>	<u>(95,460)</u>	<u>42,218</u>
Loss for the period, representing total comprehensive loss for the period	-	-	-	(162)	(162)
Transactions with owners, recognised directly in equity					
Dividends	-	-	-	(982)	(982)
Reversal of expenses related to equity settled share-based payment	-	-	(1,298)	1,298	-
Issue of shares upon conversion of warrants	4,057	-	-	-	4,057
Recognition of share-based payments	-	-	12	-	12
Total	<u>4,057</u>	<u>-</u>	<u>(1,286)</u>	<u>316</u>	<u>3,087</u>
Balance as at 30 June 2014	<u>140,172</u>	<u>22</u>	<u>255</u>	<u>(95,306)</u>	<u>45,143</u>
Profit for the period, representing total comprehensive profit for the period	-	-	-	85	85
Transactions with owners, recognised directly in equity					
Issue of shares upon conversion of warrants	13,484	-	-	-	13,484
Recognition of share-based payments	-	-	11	-	11
Total	<u>13,484</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>13,495</u>
Balance as at 30 September 2014	<u>153,656</u>	<u>22</u>	<u>266</u>	<u>(95,221)</u>	<u>58,723</u>
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,006)	(1,006)
Transactions with owners, recognised directly in equity					
Expenses relating to conversion of warrants	(4)	-	-	-	(4)
Recognition of share-based payments	-	-	11	-	11
Total	<u>(4)</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>7</u>
Balance as at 31 December 2014	<u><u>153,652</u></u>	<u><u>22</u></u>	<u><u>277</u></u>	<u><u>(96,227)</u></u>	<u><u>57,724</u></u>

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

There were no movements in the Company's issued share capital for the quarter ended 31 December 2015 and 31 December 2014.

As at 31 December 2015, the Company's issued and paid-up capital was \$153,652,141 (4Q-14: \$153,652,141) divided into 12,528,241,084 (4Q-14: 12,528,241,084) shares.

Warrants

The Company's warrants expired on 25 September 2014.

Share options

The Company had 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 2015, there were 45,155,000 (31 December 2014: 45,155,000) outstanding share options which would entitle the holders to subscribe for a total of 45,155,000 (31 December 2014: 45,155,000) ordinary shares with expiry dates ranging from March 2016 to May 2018. If exercised, these share options represent approximately 0.36% of the share capital consisting of 12,528,241,084 issued shares at 31 December 2015.

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.

	Number of ordinary shares	
	31-Dec-15	31-Dec-14
Issued and paid up	<u>12,528,241,084</u>	<u>12,528,241,084</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 Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the financial year ended 31 December 2014.

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 Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") for accounting periods beginning 1 January 2015, where applicable.

The adoption of new / revised FRS and INT FRS does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior 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

Earnings per ordinary share <i>(based on consolidated net (loss) profit attributable to equity holders of the Company)</i>	4Q-15 cents	4Q-14 cents	YTD-15 cents	YTD-14 cents
- Basic	0.011	(0.063)	0.032	(0.093)
- Fully diluted	0.011	(0.063)	0.032	(0.093)

Basic earnings per ordinary share is computed based on the weighted average number of shares in issue during the period of 12,528,241,084 (4Q-14:10,412,484,222).

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 12,528,951,461.

In 4Q-14 and YTD-14, the share options were antidilutive and hence disregarded in the calculation of diluted losses per share.

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

	Group		Company	
	31-Dec-15 Cents	31-Dec-14 Cents	31-Dec-15 Cents	31-Dec-14 Cents
Net Asset Value ("NAV") per share	<u>0.50</u>	<u>0.47</u>	<u>0.47</u>	<u>0.46</u>

The NAV per share as at 31 December 2015 is calculated based on 12,528,241,084 (31 December 2014: 12,528,241,084) 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 (loss) profit after income tax

The Group's 4Q-15 revenue decreased by 11% from \$96.7 million in 4Q-14 to \$85.9 million with a 1% decrease from \$322.2 million for YTD-14 to \$318.9 million for YTD-15. The decrease in revenue was due mainly to slowdown in DMS business. Revenue from the AMS business however increased by 30% from \$5.2 million in 4Q-14 to \$6.8 million in 4Q-15, due to an increase in repair volume.

The Group's gross margins remained unchanged at 9% for Q4-15 and 10% for YTD-15. AMS margins were lower in the quarter due to higher cost of repairs but remained unchanged at 28% for YTD-15. Gross margin for DPAS declined as we were not able to pass on the increase in raw materials cost to customers arising from a weaker Ringgit.

With Q4-15 profits of \$1.1 million and 3 preceding profitable quarters in 2015, the Group registered profits of \$3.0 million for the year.

Cash flows

In 4Q-15, the Group has made higher settlements to trade and other payables.

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 rationalization of the scale of its DMS businesses, coupled with its disciplined cost and inventory management in FY 2015 have yielded positive results. In the face of a weak and uncertain global economic outlook, which will impact both our local and overseas businesses, the Group will continue to focus on operational efficiency.

In line with the Group's on-going strategy to build new and sustainable revenue streams, it will continue to explore merger and acquisition opportunities that will enhance shareholder value.

11. A breakdown of sales as follows:-

In S\$'000	FY2015	FY2014	Inc/(Dec)
Sales reported for first half year	153,403	151,879	1%
Operating profit after tax before deducting non-controlling interests reported for first half year	1,443	(447)	423%
Sales reported for second half year	165,543	170,307	-3%
Operating profit after tax before deducting non-controlling interests reported for second half year	1,605	(10,456)	115%

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 26 February 2016 is 12,528,241,084. On the basis that no employee share options are exercised prior to Book Closure Date, the dividend per share will be 0.00798 cents. However, if all employee share options of 12,550,000 are exercised, before Book Closure Date, the dividend per share will be reduced to approximately 0.00797 cents.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Subject to shareholders' approval at the annual general Meeting proposed to be held on 29 April 2016, the proposed first and final dividend will be paid on 23 May 2016.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed from 9 May 2016 at 5:00 p.m. to 10 May 2016 (both dates inclusive), for the purpose of determining shareholders' entitlement to the Company's proposed first and final (tax exempt one-tier) dividend, to be paid on 23 May 2016 subject to shareholders' approval at the forthcoming Annual General Meeting (the "Proposed Dividend"). For Proposed Dividend on a per share basis, please refer to note 12(a).

Duly completed registrable 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 9 May 2016 will be registered to determine shareholders' entitlement to the Proposed Dividend.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares as at 5:00 p.m. on 9 May 2016 will be entitled to the 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 into three business segments, After-Market Services ("AMS"), Distribution Management Solutions ("DMS") and Digital Inkjet Printing for Out-Of-Home Advertising Solutions ("DPAS").

AMS provides after market services for mobile equipment and consumer electronic products; DMS is a distributor and retailer of mobile telecommunication equipment and mobile related services, including prepaid cards, and DPAS provides digital inkjet printing for point-of-sale and out-of-home advertising solutions.

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) Segment revenues and results

FY2015 \$'000	AMS	DMS	DPAS	Unallocated	Total
Segment revenue					
External	22,211	289,921	6,814	-	318,946
Inter-segment	-	-	-	-	-
	<u>22,211</u>	<u>289,921</u>	<u>6,814</u>	<u>-</u>	<u>318,946</u>
Segment result	641	3,262	786	(1,489)	3,200
Rental income	-	138	-	-	138
Net foreign exchange loss					(158)
Loss on disposal of plant and equipment					(4)
Finance costs					(129)
Profit before income tax & share of associate results					<u>3,047</u>
Share of losses of associate					<u>(6)</u>
					<u>3,041</u>
Income tax credit					<u>7</u>
Net profits for the year					<u>3,048</u>
Segment assets	<u>10,452</u>	<u>45,884</u>	<u>9,863</u>	<u>13,913</u>	<u>80,112</u>
Segment liabilities	<u>(3,196)</u>	<u>(13,570)</u>	<u>(1,784)</u>	<u>(831)</u>	<u>(19,381)</u>
Other segment information					
Capital expenditure	117	874	1,265	-	2,256
Depreciation	229	790	615	-	1,634
Reversal Impairment of plant and equipment	-	(42)	-	-	(42)

FY2014 (Restated)
\$'000

	AMS	DMS	DPAS	Unallocated	Total
Segment revenue					
External	22,346	292,630	7,210	-	322,186
Inter-segment	-	-	-	-	-
	<u>22,346</u>	<u>292,630</u>	<u>7,210</u>	<u>-</u>	<u>322,186</u>
Segment result					
Rental income	375	(11,695)	1,542	(1,100)	(10,878)
Net foreign exchange gain	-	414	-	-	414
Loss on disposal of plant and equipment					(15)
Finance costs					(252)
					<u>(10,551)</u>
Loss before income tax					(10,551)
Income tax expense					(352)
Net loss for the year					<u>(10,903)</u>
Segment assets					
	<u>6,444</u>	<u>58,877</u>	<u>10,115</u>	<u>16,609</u>	<u>92,045</u>
Segment liabilities					
	<u>(2,122)</u>	<u>(26,660)</u>	<u>(2,102)</u>	<u>(2,744)</u>	<u>(33,628)</u>
Other segment information					
Capital expenditure	76	815	900	-	1,791
Amortisation and depreciation	286	1,970	602	-	2,858
Impairment of goodwill	-	2,350	-	-	2,350
Impairment of intangible asset	-	2,061	-	-	2,061
Impairment of plant and equipment	-	319	-	-	319

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision maker re-assesses the resources allocation and monitors the financial assets attributable to each segment. The Group restated the year 2014 segment results, segment assets and segment liabilities to better reflect the position of each segment.

(b) Geographical information

	Revenue from external customers	
	FY2015 \$'000	FY2014 \$'000
Singapore	268,172	303,610
Malaysia	6,757	7,210
Myanmar	44,017	11,366
	<u>318,946</u>	<u>322,186</u>

	Non-current assets	
	FY2015 \$'000	Restated FY2014 \$'000
Singapore	1,523	1,793
Malaysia	4,375	4,590
Myanmar	1,184	429
Total	<u>7,082</u>	<u>6,812</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	450	-
Total	450	-

Mr Ong Ghim Choon (Director and Chief Executive Officer of the Company) and his associate own a majority of the shares of Pacific Organisation Pte Ltd.

16. Use of proceeds

In 4Q-15, the Company did not utilize any proceeds from the conversion of warrants pursuant to the renounceable non-underwritten rights cum warrants issue undertaken by the Company in 2011.

As at 31 December 2015, the balance of proceeds was \$13,912,000.

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	51	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 change

18. Confirmation of Undertakings under Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Mainboard Rules.

BY ORDER OF THE BOARD

Ong Ghim Choon
Chief Executive Officer
26 February 2016