



mDR Limited

Fourth Quarter Financial Statements for the Period Ended 31 December 2017

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-17	4Q-16	Inc/(Dec) %	YTD-17	YTD-16	Inc/(Dec) %
Continuing operations							
Revenue	1	73,223	71,150	3%	275,030	263,285	4%
Cost of sales	1	(66,599)	(63,404)	5%	(247,747)	(235,402)	5%
Gross profit	1	<u>6,624</u>	<u>7,746</u>	-14%	<u>27,283</u>	<u>27,883</u>	-2%
Other income	2	944	240	N.M.	2,435	781	N.M.
Administrative expenses	3	(4,480)	(4,979)	-10%	(18,383)	(18,605)	-1%
Other operating expenses	4	(1,363)	(1,434)	-5%	(6,115)	(6,349)	-4%
Finance costs	5	(85)	(28)	N.M.	(311)	(106)	N.M.
Total expenses		<u>(5,928)</u>	<u>(6,441)</u>	-8%	<u>(24,809)</u>	<u>(25,060)</u>	-1%
Operating profit before share of profit of associate and income tax		<u>1,640</u>	<u>1,545</u>	6%	<u>4,909</u>	<u>3,604</u>	36%
Share of profit of associate		<u>4</u>	<u>1</u>	N.M.	<u>9</u>	<u>6</u>	50%
Profit before income tax		<u>1,644</u>	<u>1,546</u>	6%	<u>4,918</u>	<u>3,610</u>	36%
Income tax (expense) credit	6	<u>(3)</u>	<u>313</u>	N.M.	<u>(260)</u>	<u>(117)</u>	N.M.
Profit for the period from continuing operations		<u>1,641</u>	<u>1,859</u>	-12%	<u>4,658</u>	<u>3,493</u>	33%
Discontinued operations							
Loss for the period from discontinued operations	7	<u>(106)</u>	<u>(293)</u>	-64%	<u>(440)</u>	<u>(443)</u>	-1%
Profit for the period		<u>1,535</u>	<u>1,566</u>	-2%	<u>4,218</u>	<u>3,050</u>	38%
Other comprehensive income							
<i>Items that will not be reclassified subsequently to profit or loss</i>							
Revaluation on land and building		(733)	-	N.M.	751	-	N.M.
Net fair value changes in equity securities carried at fair value through other comprehensive income		<u>(615)</u>	<u>-</u>	N.M.	<u>(1,850)</u>	<u>-</u>	N.M.
		<u>(1,348)</u>	<u>-</u>	N.M.	<u>(1,099)</u>	<u>-</u>	N.M.
<i>Items that may be reclassified subsequently to profit or loss</i>							
Currency translation differences arising on consolidation		153	(147)	N.M.	159	(141)	N.M.
		<u>153</u>	<u>(147)</u>	N.M.	<u>159</u>	<u>(141)</u>	N.M.
Other comprehensive loss for the period, net of tax		<u>(1,195)</u>	<u>(147)</u>	N.M.	<u>(940)</u>	<u>(141)</u>	N.M.
Total comprehensive income for the period		<u>340</u>	<u>1,419</u>	-76%	<u>3,278</u>	<u>2,909</u>	13%
Profit (Loss) attributable to:							
Owners of the Company		1,317	1,816	-27%	4,102	2,940	40%
Non-controlling interests		<u>218</u>	<u>(250)</u>	N.M.	<u>116</u>	<u>110</u>	5%
Total comprehensive income		<u>1,535</u>	<u>1,566</u>	-2%	<u>4,218</u>	<u>3,050</u>	38%
Total comprehensive income (loss) attributable to:							
Owners of the Company		105	1,687	-94%	3,090	2,787	11%
Non-controlling interests		<u>235</u>	<u>(268)</u>	N.M.	<u>188</u>	<u>122</u>	54%
		<u>340</u>	<u>1,419</u>	-76%	<u>3,278</u>	<u>2,909</u>	13%

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 are as follows:

In S\$'000	4Q-17	4Q-16	YTD-17	YTD-16
Revenue				
AMS	5,940	8,145	26,027	30,704
DMS	65,557	61,237	241,755	225,557
DPAS	1,726	1,768	7,248	7,024
	<u>73,223</u>	<u>71,150</u>	<u>275,030</u>	<u>263,285</u>
Cost of goods sold				
AMS	(4,592)	(6,120)	(19,533)	(23,543)
DMS	(60,821)	(56,092)	(223,111)	(207,032)
DPAS	(1,186)	(1,192)	(5,103)	(4,827)
	<u>(66,599)</u>	<u>(63,404)</u>	<u>(247,747)</u>	<u>(235,402)</u>
Gross profit				
AMS	1,348	2,025	6,494	7,161
DMS	4,736	5,145	18,644	18,525
DPAS	540	576	2,145	2,197
	<u>6,624</u>	<u>7,746</u>	<u>27,283</u>	<u>27,883</u>
GP%				
AMS	23%	25%	25%	23%
DMS	7%	8%	8%	8%
DPAS	31%	33%	30%	31%
	<u>9%</u>	<u>11%</u>	<u>10%</u>	<u>11%</u>

Gross margin for AMS decreased from 25% to 23% quarter-on-quarter, mainly due to certain warranty claims from principal.

Gross margin for DPAS has also declined from 33% to 31% quarter-on-quarter and from 31% to 30% year-on-year, mainly resulted from higher depreciation costs with the purchase of leasehold property and machinery which were classified under cost of goods sold.

Note 2 Other income consists of the following:

In S\$'000	4Q-17	4Q-16	YTD-17	YTD-16
Interest income				
- Fixed deposits	13	28	98	153
- Loan to a third party	510	-	1,103	-
Dividend income	9	-	393	-
Rental income	5	-	11	6
Bad debts recovered - trade	27	-	253	12
Liabilities written back	212	2	213	2
Wage credit	-	-	121	314
PIC payout	52	183	65	183
Third party compensation	99	-	99	-
Others	17	27	79	111
	<u>944</u>	<u>240</u>	<u>2,435</u>	<u>781</u>

The increase in interest income was mainly due to interest earned from the \$5.0 million loan extended to a third party.

Dividend income pertains to dividends earned from marketable securities.

Note 3 Administrative expenses

The administrative expenses comprise mainly staff cost.

In S\$'000	4Q-17	4Q-16	YTD-17	YTD-16
Staff Cost				
AMS	1,105	1,488	4,606	5,196
DMS	1,865	2,014	7,400	7,572
DPAS	157	155	784	667
Management and HQ support staff costs (including Directors' fees)	753	662	2,712	2,414
	<u>3,880</u>	<u>4,319</u>	<u>15,502</u>	<u>15,849</u>

AMS recorded a 18% declined in repair volume in 4Q-17 compared to 4Q-16; as such AMS staff costs had decreased accordingly, due to lower headcount required to support the operation.

Note 4 Other operating expenses

Other operating expenses consist of the following:

In S\$'000	4Q-17	4Q-16	YTD-17	YTD-16
Rental expenses	1,109	1,282	4,693	5,004
Depreciation expenses	195	193	741	731
Plant and equipment written off	19	17	61	91
Loss (Gain) on disposal of plant and equipment	4	(21)	(42)	(24)
Reversal of impairment on plant and equipment	-	-	-	(1)
(Reversal of) Allowance for doubtful trade receivables	(72)	170	(67)	220
Bad debts written off - trade	1	-	3	2
Bad debts written off - non-trade	-	-	-	13
Allowance for inventories	148	98	525	406
Reversal of shop closure costs	-	-	-	(3)
Foreign exchange (gain) loss	(41)	(305)	201	(90)
	<u>1,363</u>	<u>1,434</u>	<u>6,115</u>	<u>6,349</u>

Higher allowance for inventories in 4Q-17 was mainly due to the higher stock provision made against its inventory.

Note 5 Finance costs

Finance cost comprises interests on finance leases and bank borrowings.

Note 6 Income tax expense

The tax provision is calculated for profitable subsidiaries.

Note 7 Income statement for discontinued operations

In S\$'000	4Q-17	4Q-16	YTD-17	YTD-16
Revenue	-	15,084	10,246	55,572
Cost of sales	-	(14,619)	(9,936)	(53,798)
Gross Profit	-	465	310	1,774
Other income	-	1	9	13
Administrative expenses	-	(435)	(378)	(1,768)
Other operating expenses	(106)	(324)	(381)	(462)
Profit (Loss) before income tax	(106)	(293)	(440)	(443)
Income tax expense	-	-	-	-
Profit (Loss) for the period from discontinued operations	(106)	(293)	(440)	(443)
Profit (Loss) attributable to:				
Owners of the Company	(113)	(52)	(303)	(467)
Non-controlling interests	7	(241)	(137)	24
	(106)	(293)	(440)	(443)

The comparative figures have been re-presented to report separately profit and loss items for continuing and discontinued operations.

Discontinued operations relate to operations in Myanmar inclusive of MDR Myanmar Co., Ltd, Golden Myanmar Sea Co., Ltd, Pixio Myanmar Co., Ltd and MDR Golden Myanmar Sea Co., Ltd, with the latter 2 entities having ceased their business operations in March 2017.

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-17	31-Dec-16	31-Dec-17	31-Dec-16
ASSETS					
Current assets					
Cash and bank balances		11,579	30,817	3,015	22,090
Trade receivables	1	22,230	20,867	2,450	3,554
Other receivables and prepayments	2	8,362	5,401	19,052	14,119
Inventories	3	<u>18,925</u>	<u>20,232</u>	<u>1,535</u>	<u>2,092</u>
Total current assets		<u>61,096</u>	<u>77,317</u>	<u>26,052</u>	<u>41,855</u>
Non-current assets					
Investment in subsidiaries		-	-	20,835	20,835
Investment in an associate		24	14	-	-
Property, plant and equipment	4	11,199	4,271	497	391
Goodwill		2,798	2,798	-	-
Investment securities	5	13,234	-	13,234	-
Cash pledged		1,440	-	1,400	-
Prepayments	2	<u>-</u>	<u>839</u>	<u>-</u>	<u>-</u>
Total non-current assets		<u>28,695</u>	<u>7,922</u>	<u>35,966</u>	<u>21,226</u>
Total assets		<u>89,791</u>	<u>85,239</u>	<u>62,018</u>	<u>63,081</u>
Current liabilities					
Bank loans	6	5,485	-	-	-
Trade payables	7	11,868	13,572	1,968	2,888
Other payables	8	6,704	7,341	2,159	947
Current portion of finance leases		461	570	68	83
Income tax payable		<u>69</u>	<u>7</u>	<u>-</u>	<u>-</u>
Total current liabilities		<u>24,587</u>	<u>21,490</u>	<u>4,195</u>	<u>3,918</u>
Non-current liabilities					
Finance leases		645	991	74	50
Deferred tax liabilities		<u>441</u>	<u>118</u>	<u>-</u>	<u>-</u>
Total non-current liabilities		<u>1,086</u>	<u>1,109</u>	<u>74</u>	<u>50</u>
Capital, reserves and non-controlling interests					
Share capital		153,652	153,652	153,652	153,652
Capital reserve		(859)	(859)	22	22
Investment revaluation reserve		(1,850)	-	(1,850)	-
Property revaluation reserve		751	-	-	-
Share options reserve		145	311	145	311
Foreign currency translation reserve		(738)	(825)	-	-
Accumulated losses		<u>(85,465)</u>	<u>(87,933)</u>	<u>(94,220)</u>	<u>(94,872)</u>
Equity attributable to owners of the Company		<u>65,636</u>	<u>64,346</u>	<u>57,749</u>	<u>59,113</u>
Non-controlling interests		<u>(1,518)</u>	<u>(1,706)</u>	<u>-</u>	<u>-</u>
Total equity		<u>64,118</u>	<u>62,640</u>	<u>57,749</u>	<u>59,113</u>
Total liabilities and equity		<u>89,791</u>	<u>85,239</u>	<u>62,018</u>	<u>63,081</u>

Notes

1 Trade receivables

The Group's trade receivables turnover as at 31 December 2017 is 27 days (31 December 2016: 22 days).

2 Other receivables and prepayments

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

S\$'000	31-Dec-17	31-Dec-16
Rental deposits	1,362	1,413
Other receivables	5,752	2,758
Prepayments - current	425	776
Prepayments – non-current	-	258
Deposits for the purchase of property – non-current	-	581

Other receivables of \$5.8 million as at 31 December 2017 comprised mainly of \$1.1 million to be received from principals in relation to sell through, advertising and promotion support and \$3.8 million loan to a third party.

Prepayments of \$0.4 million as at 31 December 2017 comprised mainly of prepayment of professional fee related to the Rights Cum Warrants exercise of \$0.1 million and deposits for the purchase of raw materials and equipment spare parts, prepayment of maintenance contract for equipment and for the last 2 months equipment hire purchase instalments, of \$0.2 million for DPAS operation.

3 Inventories

The Group's inventory turnover for the quarter ended 31 December 2017 is 27 days (31 December 2016: 24 days).

Efforts made by the Group to trim its handset and prepaid cards inventory levels were evidenced by the decline in the Group inventories of \$18.9 million as at 31 December 2017 compared to \$20.2 million as at 31 December 2016.

4 Property, plant and equipment

The increase in property, plant and equipment was mainly attributable to the purchase of leasehold property in Malaysia for DPAS operations.

The Group changed its accounting policy with respect to the subsequent measurement of land and building included as part of property, plant and equipment from the cost model to the revaluation model.

Please refer to Section 5 on page 16 to the Announcement for details.

The leasehold property of the Group was revalued at 30 September 2017 based on independent professional valuations carried out by an accredited valuer. These valuations are determined by the valuer based on the direct comparison method that makes reference to recent market transactions.

5 Investment securities

Investment securities pertain to the investment in marketable securities during the period.

6 Bank loans

Bank loans comprised mainly of new bank loans secured during the period for the financing of new property in Malaysia for DPAS operations.

7 Trade payables

The Group's trade payables turnover as at 31 December 2017 is 18 days (31 December 2016: 15 days).

8 Other payables

The Group's other payables consist mainly of the following:

S\$'000	31-Dec-17	31-Dec-16
Advertising, promotion and sell through funds from principals	1,568	1,485
Accrued staff costs	1,078	1,169
Other accrued operating expenses	717	981

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-17		As at 31-Dec-16	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
5,946	-	570	-

Amount repayable after one year

As at 31-Dec-17		As at 31-Dec-16	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
645	-	991	-

Details of collateral

The secured borrowings comprise of outstanding finance lease of \$1.1 million on certain motor vehicles and machinery and bank loan of \$5.5 million secured against fixed deposits and an open legal mortgage over a commercial property in Malaysia.

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-17	4Q-16	YTD-17	YTD-16
Operating activities				
Profit before income tax from continuing operations	1,644	1,546	4,918	3,610
Loss before income tax from discontinued operations	(106)	(293)	(440)	(443)
	<u>1,538</u>	<u>1,253</u>	<u>4,478</u>	<u>3,167</u>
Adjustments for:				
Depreciation expenses	395	432	1,536	1,641
Interest expenses	85	28	311	106
Interest income from fixed deposits	(13)	(28)	(98)	(153)
Interest income from loan to a third party	(510)	-	(1,103)	-
Dividend income	(9)	-	(393)	-
Loss (Gain) on disposal of plant and equipment	4	(30)	(115)	(36)
Plant and equipment written off	42	17	150	91
(Reversal of) Provision for shop closure costs	(1)	-	204	(3)
Allowance for inventories	231	106	592	432
Reversal of impairment on plant and equipment	-	-	-	(1)
(Reversal of) allowance for doubtful trade receivables	(67)	170	(39)	237
Liabilities written back	(213)	(2)	(213)	(2)
Bad debts written off - trade	1	-	3	2
Bad debts written off - non-trade	-	-	-	13
Bad debts recovered - trade	(27)	-	(253)	-
Share of profit of an associate	(4)	(1)	(9)	(6)
Net foreign exchange loss (gain)	(167)	(137)	(39)	(119)
Operating cash flows before movements in working capital	<u>1,285</u>	<u>1,808</u>	<u>5,012</u>	<u>5,369</u>
Trade receivables	(1,777)	(5,459)	(1,074)	(2,343)
Other receivables and prepayments	730	(49)	427	225
Inventories	4,241	309	715	(3,123)
Trade payables	(8,303)	2,161	(1,699)	3,370
Other payables	307	278	(626)	(101)
Cash (used in) generated from operations	<u>(3,517)</u>	<u>(952)</u>	<u>2,755</u>	<u>3,397</u>
Income tax (paid) refund	(96)	(90)	333	6
Interest received	13	28	98	153
Net cash (used in) generated from operating activities	<u>(3,600)</u>	<u>(1,014)</u>	<u>3,186</u>	<u>3,556</u>
Investing activities				
Proceeds from disposal of plant and equipment	17	20	639	64
Purchase of property, plant and equipment (Note A)	(183)	(265)	(6,981)	(1,094)
Prepayment of plant and equipment	-	(258)	-	(258)
Deposits paid for the purchase of property	-	(581)	-	(581)
Loan to a third party	-	-	(5,000)	-
Repayment of loan from a third party	1,400	-	1,400	-
Interest received from loan to a third party	278	-	871	-
Dividend income from investment securities	9	-	393	-
Purchase of available-for-sale investment	-	-	(15,084)	-
Net cash generated from (used in) investing activities	<u>1,521</u>	<u>(1,084)</u>	<u>(23,762)</u>	<u>(1,869)</u>
Financing activities				
Interest paid	(85)	(28)	(311)	(106)
Repayment of obligations under finance leases	(144)	(139)	(574)	(511)
Dividends paid to shareholders	-	-	(1,800)	(1,000)
Dividends paid to non-controlling interest	-	-	-	(78)
Cash pledge	-	-	(1,400)	-
Repayment of bank borrowings	(1,119)	-	(3,231)	-
Proceeds from bank borrowings	-	-	8,466	-
Net cash (used in) generated from financing activities	<u>(1,348)</u>	<u>(167)</u>	<u>1,150</u>	<u>(1,695)</u>
Net decrease in cash and cash equivalents	(3,427)	(2,265)	(19,426)	(8)
Cash and cash equivalents at beginning of period	14,779	33,066	30,778	30,809
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	227	(23)	227	(23)
Cash and cash equivalents at end of period	<u>11,579</u>	<u>30,778</u>	<u>11,579</u>	<u>30,778</u>

Notes

A. Purchase of property, plant and equipment:

In 4Q-17, the Group acquired plant and equipment with an aggregate cost of \$183,000 (4Q-16: \$ 265,000) using internal funding.

In YTD-17, the Group acquired plant and equipment with an aggregate cost of \$7,081,000 (YTD-16: \$1,919,000) of which \$100,000 (2016: \$825,000) was acquired under finance lease arrangements.

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

In S\$'000	4Q-17	4Q-16
Cash	13,019	30,817
Less: Cash pledged	(1,440)	(39)
Cash and cash equivalents	<u>11,579</u>	<u>30,778</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>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Investment revaluation reserve</u>	<u>Property revaluation reserve</u>	<u>Share options reserve</u>	<u>Currency translation reserve</u>	<u>Accumulated losses</u>	<u>Attributable to equity holders of the Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
Group										
Balance as at 1 January 2017	153,652	(859)	-	-	311	(825)	(87,933)	64,346	(1,706)	62,640
Total comprehensive income (loss) for the period										
Profit (Loss) for the period	-	-	-	-	-	-	188	188	(201)	(13)
Other comprehensive (loss) income for the period	-	-	-	-	-	(73)	-	(73)	33	(40)
Total	-	-	-	-	-	(73)	188	115	(168)	(53)
Transactions with owners, recognised directly in equity										
Transfer between reserves upon expiry of share options	-	-	-	-	(21)	-	21	-	-	-
Total	-	-	-	-	(21)	-	21	-	-	-
Balance as at 31 March 2017	153,652	(859)	-	-	290	(898)	(87,724)	64,461	(1,874)	62,587
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	1,201	1,201	70	1,271
Other comprehensive income for the period	-	-	54	-	-	25	-	79	10	89
Total	-	-	54	-	-	25	1,201	1,280	80	1,360
Transactions with owners, recognised directly in equity										
Dividends	-	-	-	-	-	-	(1,300)	(1,300)	-	(1,300)
Transfer between reserves upon expiry of share options	-	-	-	-	(135)	-	135	-	-	-
Total	-	-	-	-	(135)	-	(1,165)	(1,300)	-	(1,300)
Balance as at 30 June 2017	153,652	(859)	54	-	155	(873)	(87,688)	64,441	(1,794)	62,647
Total comprehensive income (loss) for the period										
Profit for the period	-	-	-	-	-	-	1,396	1,396	29	1,425
Other comprehensive (loss) income for the period	-	-	(1,289)	1,484	-	(1)	-	194	12	206
Total	-	-	(1,289)	1,484	-	(1)	1,396	1,590	41	1,631
Transactions with owners, recognised directly in equity										
Dividends	-	-	-	-	-	-	(500)	(500)	-	(500)
Transfer between reserves upon expiry of share options	-	-	-	-	(10)	-	10	-	-	-
Total	-	-	-	-	(10)	-	(490)	(500)	-	(500)
Balance as at 30 September 2017	153,652	(859)	(1,235)	1,484	145	(874)	(86,782)	65,531	(1,753)	63,778

<u>In S\$'000</u> Group	<u>Share capital</u>	<u>Capital reserve</u>	<u>Investment revaluation reserve</u>	<u>Property revaluation reserve</u>	<u>Share options reserve</u>	<u>Currency translation reserve</u>	<u>Accumulated losses</u>	<u>Attributable to equity holders of the Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
Balance as at 30 September 2017	153,652	(859)	(1,235)	1,484	145	(874)	(86,782)	65,531	(1,753)	63,778
Total comprehensive income (loss) for the period										
Profit for the period	-	-	-	-	-	-	1,317	1,317	218	1,535
Other comprehensive (loss) income for the period	-	-	(615)	(733)	-	136	-	(1,212)	17	(1,195)
Total	-	-	(615)	(733)	-	136	1,317	105	235	340
Balance as at 31 December 2017	<u>153,652</u>	<u>(859)</u>	<u>(1,850)</u>	<u>751</u>	<u>145</u>	<u>(738)</u>	<u>(85,465)</u>	<u>65,636</u>	<u>(1,518)</u>	<u>64,118</u>

In S\$'000 Group	Share capital	Capital reserve	Investment revaluation reserve	Property revaluation reserve	Share options reserve	Currency translation reserve	Accumulated losses	Attributable to equity holders of the Company	Non-controlling interests	Total
Balance as at 1 January 2016	153,652	(859)	-	-	316	(672)	(89,878)	62,559	(1,828)	60,731
Total comprehensive income (loss) for the period										
(Loss) Profit for the period	-	-	-	-	-	-	(169)	(169)	262	93
Other comprehensive income for the period	-	-	-	-	-	162	-	162	42	204
Total	-	-	-	-	-	162	(169)	(7)	304	297
Transactions with owners, recognised directly in equity										
Transfer between reserves upon expiry of share options	-	-	-	-	(5)	-	5	-	-	-
Total	-	-	-	-	(5)	-	5	-	-	-
Balance as at 31 March 2016	153,652	(859)	-	-	311	(510)	(90,042)	62,552	(1,524)	61,028
Total comprehensive income (loss) for the period										
Profit for the period	-	-	-	-	-	-	536	536	165	701
Other comprehensive (loss) income for the period	-	-	-	-	-	(112)	-	(112)	13	(99)
Total	-	-	-	-	-	(112)	536	424	178	602
Transactions with owners, recognised directly in equity										
Dividends	-	-	-	-	-	-	(1,000)	(1,000)	-	(1,000)
Total	-	-	-	-	-	-	(1,000)	(1,000)	-	(1,000)
Balance as at 30 June 2016	153,652	(859)	-	-	311	(622)	(90,506)	61,976	(1,346)	60,630
Total comprehensive income (loss) for the period										
Profit (Loss) for the period	-	-	-	-	-	-	757	757	(67)	690
Other comprehensive loss for the period	-	-	-	-	-	(74)	-	(74)	(25)	(99)
Total	-	-	-	-	-	(74)	757	683	(92)	591
Balance as at 30 September 2016	153,652	(859)	-	-	311	(696)	(89,749)	62,659	(1,438)	61,221
Total comprehensive income (loss) for the period										
Profit (Loss) for the period	-	-	-	-	-	-	1,816	1,816	(250)	1,566
Other comprehensive loss for the period	-	-	-	-	-	(129)	-	(129)	(18)	(147)
Total	-	-	-	-	-	(129)	1,816	1,687	(268)	1,419
Balance as at 31 December 2016	153,652	(859)	-	-	311	(825)	(87,933)	64,346	(1,706)	62,640

<u>In S\$'000</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Investment revaluation reserve</u>	<u>Share options reserve</u>	<u>Accumulated losses</u>	<u>Total</u>
Company						
Balance as at 1 January 2017	153,652	22	-	311	(94,872)	59,113
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(485)	(485)
Transactions with owners, recognised directly in equity						
Transfer between reserves upon expiry of share options	-	-	-	(21)	21	-
Total	-	-	-	(21)	21	-
Balance as at 31 March 2017	153,652	22	-	290	(95,336)	58,628
Total comprehensive income for the period						
Profit for the period	-	-	-	-	997	997
Other comprehensive income	-	-	54	-	-	54
Total	-	-	54	-	997	1,051
Transactions with owners, recognised directly in equity						
Dividends	-	-	-	-	(1,300)	(1,300)
Transfer between reserves upon expiry of share options	-	-	-	(135)	135	-
Total	-	-	-	(135)	(1,165)	(1,300)
Balance as at 30 June 2017	153,652	22	54	155	(95,504)	58,379
Total comprehensive (loss) income for the period						
Profit for the period	-	-	-	-	634	634
Other comprehensive (loss)	-	-	(1,289)	-	-	(1,289)
Total	-	-	(1,289)	-	634	(655)
Transactions with owners, recognised directly in equity						
Dividends	-	-	-	-	(500)	(500)
Transfer between reserves upon expiry of share options	-	-	-	(10)	10	-
Total	-	-	-	(10)	(490)	(500)
Balance as at 30 September 2017	153,652	22	(1,235)	145	(95,360)	57,224
Total comprehensive (loss) income for the period						
Profit for the period	-	-	-	-	1,140	1,140
Other comprehensive (loss)	-	-	(615)	-	-	(615)
Total	-	-	(615)	-	1,140	525
Balance as at 31 December 2017	153,652	22	(1,850)	145	(94,220)	57,749

<u>In S\$'000</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Investment revaluation reserve</u>	<u>Share options reserve</u>	<u>Accumulated losses</u>	<u>Total</u>
Company						
Balance as at 1 January 2016	153,652	22	-	316	(95,185)	58,805
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(529)	(529)
Transactions with owners, recognised directly in equity						
Transfer between reserves upon expiry of share options	-	-	-	(5)	5	-
Total	-	-	-	(5)	5	-
Balance as at 31 March 2016	153,652	22	-	311	(95,709)	58,276
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(3)	(3)
Transactions with owners, recognised directly in equity						
Dividends	-	-	-	-	(1,000)	(1,000)
Total	-	-	-	-	(1,000)	(1,000)
Balance as at 30 June 2016	153,652	22	-	311	(96,712)	57,273
Profit for the period, representing total comprehensive income for the period	-	-	-	-	145	145
Balance as at 30 September 2016	153,652	22	-	311	(96,567)	57,418
Profit for the period, representing total comprehensive income for the period	-	-	-	-	1,695	1,695
Balance as at 31 December 2016	153,652	22	-	311	(94,872)	59,113

- 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 2017 and 31 December 2016.

As at 31 December 2017, the Company's issued and paid-up capital was \$153,652,141 (4Q-16: \$153,652,141) divided into 12,528,241,084 (4Q-16: 12,528,241,084) shares.

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 2017, there were 7,300,000 (31 December 2016: 43,485,000) outstanding share options which would entitle the holders to subscribe for a total of 7,300,000 (31 December 2016: 43,485,000) ordinary shares. If exercised, these share options represent approximately 0.06% of the share capital consisting of 12,528,241,084 issued shares at 31 December 2017.

- 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-17	31-Dec-16
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 2016, except as explained in section 5 below.

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 changed its accounting policy with respect to the subsequent measurement of leasehold land and building included as part of property, plant and equipment from the cost model to the revaluation model.

Under the revaluation model, any revaluation increase arising on the revaluation of such land and buildings is recognized in other comprehensive income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

The subsequent measurement of the above asset class using the revaluation model provides users with information on the net asset value of the Group that incorporates the latest valuation of the property classified as property, plant and equipment. This change in accounting policy has been applied prospectively in accordance with FRS 16 *Property, plant and equipment* and FRS 8 *Accounting policies, changes in estimates and errors*.

The effects of this change in accounting policy are set out below:-

A revaluation surplus of \$987,000 and deferred tax liabilities of \$236,000 have been recognized in other comprehensive income.

The additional annual depreciation arising from the adoption of the revaluation model is not material for the Group.

Early adoption of FRS109 Financial Instruments (“FRS109”)

The Group has elected to early adopt FRS109 which is applied retrospectively from 1 January 2017 to better reflect the Group's strategy on its financial assets. We have elected not to adjust the comparative information as permitted under FRS 109 transitional provision.

The early adoption of FRS 109 has no material financial impact on the financial performance or position of the Group and the Company.

New and revised Financial Reporting Standards (“FRS”)

The Group has also adopted all the new and revised Singapore Financial Reporting Standards (“FRS”) for accounting periods beginning 1 January 2017, 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 (Losses) per ordinary share <i>(based on consolidated net profit (loss) attributable to equity holders of the Company)</i>	4Q-17	4Q-16	YTD-17	YTD-16
	cents	cents	cents	cents
From continuing and discontinued operations:				
- Basic	0.011	0.014	0.033	0.023
- Fully diluted	<u>0.011</u>	<u>0.014</u>	<u>0.033</u>	<u>0.023</u>
From continuing operations:				
- Basic	0.011	0.015	0.035	0.027
- Fully diluted	<u>0.011</u>	<u>0.015</u>	<u>0.035</u>	<u>0.027</u>
From discontinued operations:				
- Basic	0.000	(0.001)	(0.002)	(0.004)
- Fully diluted	<u>0.000</u>	<u>(0.001)</u>	<u>(0.002)</u>	<u>(0.004)</u>

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-16: 12,528,241,084).

In 4Q-17, 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 12,528,241,084.

In 4Q-17, the share options were antidilutive and hence disregarded in the calculation of diluted earnings (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-17	31-Dec-16	31-Dec-17	31-Dec-16
	Cents	Cents	Cents	Cents
Net Asset Value ("NAV") per share	<u>0.52</u>	<u>0.51</u>	<u>0.46</u>	<u>0.47</u>

The NAV per share as at 31 December 2017 is calculated based on 12,528,241,084 (31 December 2016: 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 profit after income tax

The Group's 4Q-17 revenue increased by 3% from \$71.2 million in 4Q-16 to \$73.2 million in 4Q-17, with a 4% increase year-on-year from \$263.3 million to \$275.0 million. The increase was mainly due to higher sales from DMS business, with higher sales volume generated from its retail operations. Revenue from DMS business increased by 7% for both 4Q-17 and YTD-17 as compared to the previous corresponding periods.

However, revenue from AMS business decreased by 27% quarter-on-quarter from \$8.1 million in 4Q-16 to \$5.9 million in 4Q-17 and 15% year-on-year from \$30.7 million in YTD-16 to \$26.0 million in YTD-17 due mainly to lower repair volumes and certain warranty claims from principal of \$0.4 million. It has resulted in lower gross margin for AMS business from 25% in 4Q-16 to 23% in 4Q-17.

The Group's gross profit margin reduced by 2% and 1% respectively from 11% in 4Q-16 to 9% in 4Q-17 and 11% in YTD-16 to 10% in YTD-17.

Other income increased by \$0.7 million quarter-on-quarter, mainly pertained to interest income earned from loan extended to a third party of \$0.5 million and liabilities written back of \$0.2 million.

Administrative expenses decreased by \$0.5 million from \$5.0 million in 4Q-16 to \$4.5 million in 4Q-17, mainly due to reduction in staff cost.

The Group's 4Q-17 net profit decreased by 2% from \$1.6 million in 4Q-16 to \$1.5 million in 4Q-17, mainly due to lower gross margins. However, the decrease was partially mitigated by the increase in other income. YTD-17 net profits, however, increased by 38% from \$3.1 million in YTD-16 to \$4.2 million in YTD-17, mainly attributed to the increase in other income.

Cash Flows

In 4Q-17, the Group has a deficit cash of \$3.6 million from operations, mainly resulted from higher repayment of payables to principals.

On a quarter-on-quarter and year-on-year basis, the lower cash position in 2017 is mainly due to investment in marketable securities.

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 AMS, DMS and DPAS businesses have remained profitable in FY 2017 with disciplined cost and inventory management.

The Group will continue to work closely with its principals and telecommunication operators to deliver positive results in FY 2018, though it is anticipated that competition will intensify in the telecommunication market with the entry of the fourth operator in Singapore this year.

The Group remains committed to build new revenue streams and will continue to explore investment opportunities to enhance shareholder value.

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

In S\$'000	FY2017	FY2016	Inc/(Dec)
<u>Continuing operation</u>			
Sales reported for first half year	135,750	128,907	5%
Operating profit after tax before deducting non-controlling interests reported for first half year	1,599	782	N.M.
Sales reported for second half year	139,280	134,378	4%
Operating profit after tax before deducting non-controlling interests reported for second half year	3,059	2,711	13%
<u>Discontinued operation</u>			
Sales reported for first half year	10,246	23,088	-56%
Operating (loss) profit after tax before deducting non-controlling interests reported for first half year	(341)	12	N.M.
Sales reported for second half year	-	32,484	N.M.
Operating loss after tax before deducting non-controlling interests reported for second half year	(99)	(455)	-78%

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	Interim	Final
Dividend Type	Cash	Cash
Dividend per share	\$0.0000399 per share	\$0.0000798 per share
Dividend Amount	\$0.5 million (approximate)	\$1.0 million (approximate)
Tax rate	Tax exempt (One-Tier tax)	Tax exempt (One-Tier tax)

(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	\$0.0001038 per share
Dividend Amount	\$1.3 million (approximate)
Tax rate	Tax exempt (One-Tier tax)

(c) Date payable

Subject to shareholders' approval at the annual general Meeting proposed to be held on 27 April 2018, the proposed final dividend will be paid on 23 May 2018.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed from 9 May 2018 at 5:00 p.m. to 10 May 2018 (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 2018 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 2018 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 2018 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"), Digital Inkjet Printing for Out-Of-Home Advertising Solutions ("DPAS"). In FY2017, the Group added a new business segment - Investment.

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. Investment segment primarily comprises investment in marketable securities.

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

FY2017 \$'000	<---Continuing Operation--->						Total
	AMS	DMS	DPAS	Investment	Discontinued Operation	Unallocated	
Segment revenue							
External	26,027	241,755	7,248	-	10,246	-	285,276
Inter-segment	-	-	-	-	-	-	-
	<u>26,027</u>	<u>241,755</u>	<u>7,248</u>	<u>-</u>	<u>10,246</u>	<u>-</u>	<u>285,276</u>
Segment result	879	2,263	674	1,173	(498)	380	4,871
Rental income	-	-	11	-	-	-	11
Net foreign exchange loss							(217)
Gain on disposal of plant and equipment							115
Finance costs							(311)
Profit before income tax & share of associate results							<u>4,469</u>
Share of profit of associate							<u>9</u>
							<u>4,478</u>
Income tax expense							<u>(260)</u>
Net profits for the year							<u>4,218</u>
Segment assets	<u>9,239</u>	<u>46,047</u>	<u>16,576</u>	<u>17,066</u>	<u>863</u>	<u>-</u>	<u>89,791</u>
Segment liabilities	<u>(3,490)</u>	<u>(12,949)</u>	<u>(7,351)</u>	<u>-</u>	<u>(1,373)</u>	<u>(510)</u>	<u>(25,673)</u>
Other segment information							
Capital expenditure	267	931	5,881	-	2	-	7,081
Depreciation	152	539	795	-	50	-	1,536

FY2016 \$'000	<----Continuing Operation----->					Total
	AMS	DMS	DPAS	Discontinued Operation	Unallocated	
Segment revenue						
External	30,704	225,557	7,024	55,572	-	318,857
Inter-segment	-	-	-	-	-	-
	<u>30,704</u>	<u>225,557</u>	<u>7,024</u>	<u>55,572</u>	<u>-</u>	<u>318,857</u>
Segment result	1,210	1,143	998	(351)	238	3,238
Rental income	-	6	-	-	-	6
Net foreign exchange loss						(13)
Gain on disposal of plant and equipment						36
Finance costs						(106)
Profit before income tax & share of associate results						<u>3,161</u>
Share of profit of associate						<u>6</u>
						<u>3,167</u>
Income tax expense						(117)
Net profits for the year						<u>3,050</u>
Segment assets	14,512	41,286	10,167	5,362	13,912	85,239
Segment liabilities	(3,988)	(13,331)	(2,300)	(2,855)	(125)	(22,599)
Other segment information						
Capital expenditure	164	557	1,066	132	-	1,919
Depreciation	152	516	666	307	-	1,641
Reversal Impairment of plant and equipment	-	(1)	-	-	-	(1)

(b) Geographical information

	Revenue from external customers	
	FY2017 \$'000	FY2016 \$'000
Continuing Operation		
Singapore	267,781	256,261
Malaysia	7,249	7,024
	<u>275,030</u>	<u>263,285</u>
Discontinued Operation		
Myanmar	10,246	55,572
	<u>285,276</u>	<u>318,857</u>

	Non-current assets	
	FY2017 \$'000	FY2016 \$'000
Continuing Operation		
Singapore	16,498	1,466
Malaysia	11,858	5,553
	28,356	7,019
Discontinued Operation		
Myanmar	339	903
	28,695	7,922

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	424	-
Total	424	-

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 YTD-17, the Company has utilized \$13,912,000 of the proceeds from the conversion of warrants pursuant to the renounceable non-underwritten rights cum warrants issue undertaken by the Company in 2011 towards investment in marketable securities.

As at 31 December 2017, the balance of proceeds was \$Nil.

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	53	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
27 February 2018

Negative Assurance Confirmation under Rule 705(5) of the Listing Manual

We, Mark Leong Kei Wei and Ong Ghim Choon, being two directors of mDR Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the fourth quarter 2017 financial results to be false or misleading in any material respect.

On behalf of the Board of Directors

Mark Leong Kei Wei
Chairman of Audit Committee

Ong Ghim Choon
Chief Executive Officer

Singapore, 27 February 2018