

A panoramic view of the Singapore skyline, including the Marina Bay Sands hotel, the Petronas Twin Towers, and other modern skyscrapers. The sky is blue with light clouds. In the foreground, there is a colorful splash of blue, purple, and yellow powder on the left side.

# mdr

ANNUAL REPORT

2023

# CONTENTS

002	Corporate Profile
004	Chairman's Statement
008	Financial Highlights
010	Board of Directors
014	Management Team
016	Group Structure
018	Business Network
020	Sustainability Report
034	Corporate Information
035	Corporate Governance
057	Financial Contents
161	Interested Person Transactions
162	Supplemental Information
170	Notice of Annual General Meeting Proxy Form



**mDR Limited (“mDR”)** is a Singapore based corporation with diversified investment business, and is engaged in the distribution and retail of telecommunication products and services, after-market services, and large format digital inkjet printing. mDR was incorporated in Singapore on 21 October 2000, and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST) on 14 March 2003.



# CORPORATE PROFILE

## About mDR

mDR Ltd (“mDR”) is a Singapore based corporation with diversified investment business, and is engaged in the distribution and retail of telecommunication products and services, after-market services, and large format digital inkjet printing.

The Group is one of the largest distributors and retailers of mobile devices for leading manufacturers, and also manages one of the largest network of retail stores offering Singtel products and services in Singapore. mDR is also the after-market service partner for Samsung in Singapore.

mDR’s subsidiary Pixio, is a leading large format digital inkjet printer in Malaysia.

Established in year 2000, mDR has offices in Singapore and Malaysia.



## Vision and Mission

We aspire to be a high growth and profitable company and to be the leading complete service provider of telecommunication products and services in Singapore.

Our Mission is to improve shareholders' returns from diverse and sustainable revenue streams and contribute to the development of our stakeholders.

## Our Business Network



## Major Principals

oppo

SAMSUNG

Singtel

vivo

## mDR Group's businesses include:



### DISTRIBUTION MANAGEMENT SOLUTIONS

- Partner of Samsung for its retail concept stores in Singapore
- Owner of ZYM Mobile (MVNO)
- Authorised distributor and/or retailer of mobile devices and accessories for brands such as Oppo, Samsung and Vivo
- Key partner of telecommunications service provider, Singtel, through retail distribution network under 3 Mobile
- Distribution of Singtel prepaid cards and services in Singapore under SDS



### INVESTMENT

- Diversified Investment business



### DIGITAL INKJET PRINTING FOR OUT-OF-HOME ADVERTISING SOLUTIONS

- Provision of digital inkjet printing for Point-Of-Sale and Out-Of Home advertising solutions in Malaysia



### AFTER-MARKET SERVICES

- Provider of after-market services to end consumers of Samsung for equipment repairs and technical services in Singapore

# CHAIRMAN'S STATEMENT



**EDWARD LEE**  
*Executive Chairman*

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of mDR Limited (the "Company", and together with its subsidiaries, the "Group"), I am pleased to present to you our annual report for the financial year ended 31 December 2023.

Global economic growth remained modest in 2023. Singapore's economy expanded by 1.1% in 2023 (FY2022: 3.8%). In this context, the Group achieved a turnover of \$215.60m in FY2023, marking a 23% increase from the \$175.48m turnover recorded in FY2022. However, despite the higher turnover, the Group incurred a net loss for FY2023 mainly impacted by the non-cash impairment of financial assets. Excluding these non-cash impairments, profits after tax for FY2023 would have amounted to \$2.27m.



## Financial Review

In FY2023, the Group's increased turnover was primarily driven by growth in the Distribution Management Solutions ("DMS"), After Market Solutions (AMS), and Investment businesses. YoY revenue for DMS surged by 22% to \$173.68m (FY2022: \$142.11m), largely propelled by higher sales from the distribution business. Revenue for After Market Solutions division ("AMS") increased by 25% to \$21.73m (FY2022: \$17.33m), primarily due to higher repair volumes and an increase in spare parts revenue. However, the Digital Inkjet Printing for Out-Of-Home Advertising Solutions ("DPAS") division experienced a 6% decrease in revenue, totaling \$4.16m compared to FY2022's \$4.42m, primarily due to reduced domestic demand in Malaysia. The Investment division recorded revenue of \$16.04m, 38% higher than the FY2022 revenue (FY2022: \$11.62m). As at 31 December 2023, mDR has a portfolio of approximately \$106.00m of quoted equities and debt securities, generating dividend and coupon payments. The Group's investment portfolio in equities registered a total return of negative 3.09% in 2023. During the same period, the total return (inclusive of dividend) of STI and FTSE ST Catalist was 4.7% and negative 15.4% respectively, and Hang Seng Index (HSI) return was negative 13.8%.

The Group's net tangible assets as at 31 December 2023 was \$96.62m (31 December 2022: \$151.23m). Cash and cash equivalents of the Group as at 31 December 2023 was \$14.91m (31 December 2022: \$12.77m).

# CHAIRMAN'S STATEMENT



## TOTAL RETAIL OUTLETS

9

## REVENUE

**\$215.60 million**

## TOTAL NET TANGIBLE ASSETS

**\$96.62 million**

## BUSINESS OPERATIONS

### SINGAPORE OPERATIONS

The Group is one of the largest distributor, retailer and aftermarket service provider of mobile phones in Singapore. The Company is Samsung's authorised aftermarket services provider for mobile phones and other consumer electronic goods. The AMS division manages and operates Samsung's four service centres at Plaza Singapura, VivoCity, Westgate and Causeway Point. The DMS division operates and manages an island-wide network of nine retail outlets in Singapore, comprising five Singtel retail outlets, three Samsung concept stores and one ZYM Mobile outlet. Group's Investment business pertains mainly to investments in equity and debt securities.

### MALAYSIA OPERATIONS

The DPAS operations in Malaysia under Pixio offers a range of large format digital printing solutions. Pixio's clientele include several well-known MNCs. It employs state of the art colour-management systems and is an industry leader in promoting eco-friendly printing materials.

## FUTURE OUTLOOK

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The Group maintains a cautious outlook for FY2024. While an easing of monetary policy is anticipated in the US, there are lingering macroeconomic and geopolitical downside risks that could impede the momentum of global economic recovery.

The Group's net loss for FY2023 has mainly been due to the non-cash impairment of financial assets for certain debt securities. Management is pleased with the pace of restructuring progress with about 68% by value, of debt securities within the portfolio of bonds being restructured and having successfully crossed, *inter alia*, the key milestone of finalizing an agreed restructuring term sheet between issuers and *Ad-Hoc* Committee groups representing bondholders. While economic, geopolitical, legal, execution and implementation, and other risks pose uncertainties to the restructuring outcomes, given the low cost of acquisition relative to par, diversification of holdings, and the active role management is taking in engaging with the debt securities issuers and advisors, management is cautiously optimistic of the investment performance over the long term.

The DMS division will continue to prioritise operational efficiency and collaborate closely with mobile phone brand principals and operators to drive sales growth. The division's pivot toward the MVNO business, operating under the brand name 'ZYM Mobile', is gradually yielding encouraging growth. ZYM Mobile's subscriber base has grown and with competitive SIM plans on offer, ZYM Mobile is expected to contribute positively to revenue growth. AMS and DPAS divisions anticipate stable business performance, although they may face margin pressure due to higher costs. The Group remains prudent in cost management and will actively explore potential business opportunities and investments to strengthen revenue streams and enhance profitability.

## DIVIDEND

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Due to impairments and loss allowances incurred in FY2023, the Company is unable to declare a final dividend for FY2023. With the exception of FY2019 and FY2023, the Company has consistently paid dividends since the financial year ended 31 December 2015. Despite the disappointment with FY2023's performance, we remain steadfast in our commitment to enhancing future performance, stable dividend payments, and also potential dividend growth in line with the trend since 2015.

## INVESTOR RELATIONS

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We have been holding management conference calls with shareholders/analysts/media since March 2019. We are currently holding management conference calls on a semi-annual basis after the publication of the Group's half-yearly results. We welcome shareholders to join our half-yearly conference call and share their feedback.

## NOTE OF APPRECIATION

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I extend my heartfelt gratitude to our shareholders, business partners, bankers and customers, for their support. I also extend my heartfelt appreciation to my fellow Directors, management and employees of the Company for their dedication, efforts and guidance that has contributed to the Group's resilience and growth. We look forward to steering the Group to achieve better performance this year.

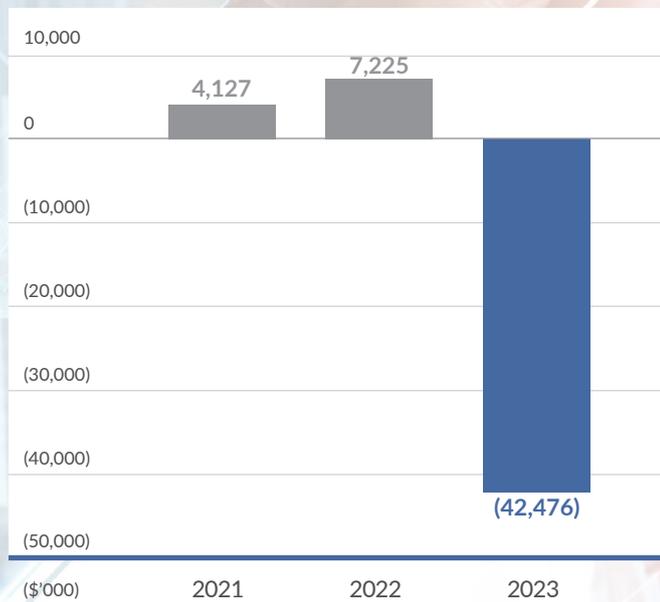
**Edward Lee**  
Executive Chairman

18 March 2024

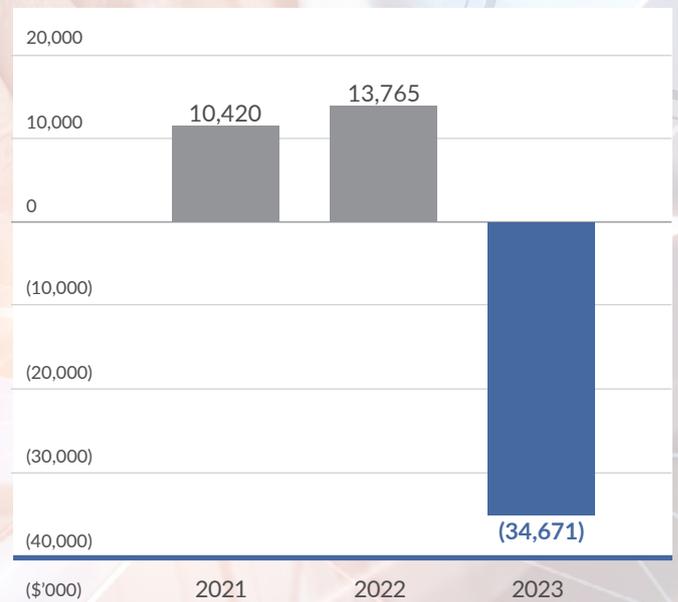
# FINANCIAL HIGHLIGHTS

	2021 \$'000	2022 \$'000	2023 \$'000
Profit/(Loss) after tax	4,127	7,225	(42,476)
EBITDA	10,420	13,765	(34,671)
Net Assets Value	159,377	151,231	96,624
Dividends	4,000	4,250	-

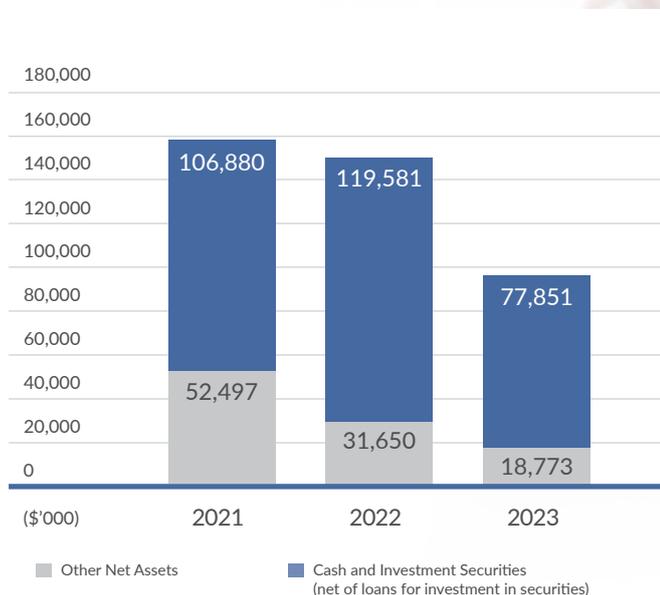
## Profit After Tax (\$'000)



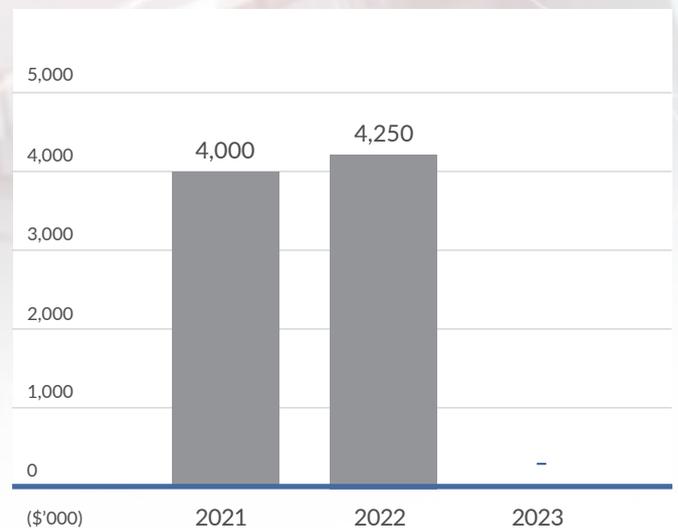
## EBITDA (\$'000)



## Net Assets Value (\$'000)

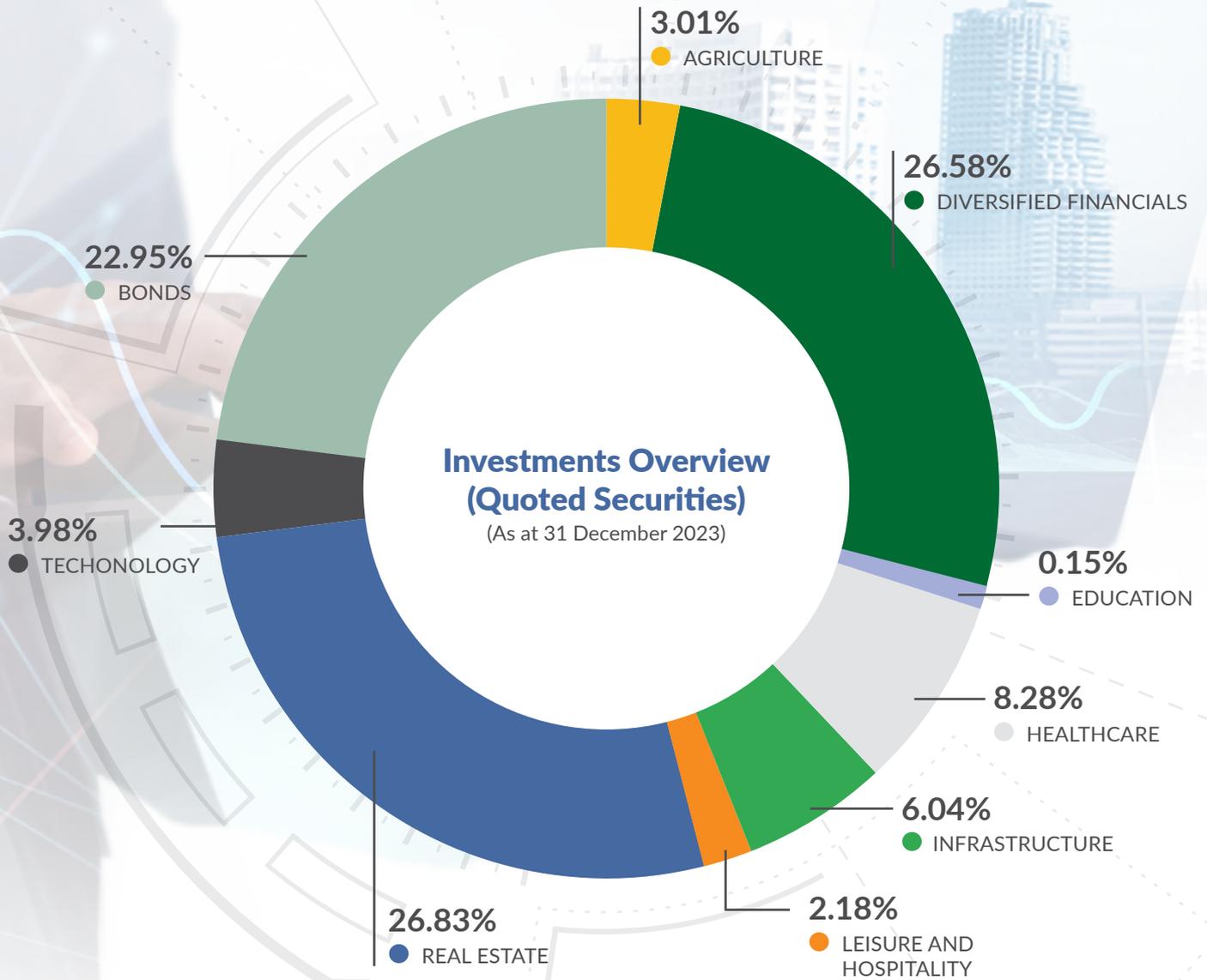


## Dividends (\$'000)



### Investments Overview (Quoted Securities)

(As at 31 December 2023)



# BOARD OF DIRECTORS



## Edward Lee Ewe Ming

*Executive Chairman, Non-Independent Executive Director*

### DATE OF FIRST APPOINTMENT AS A DIRECTOR

11 May 2017

### DATE OF LAST RE-ELECTION AS A DIRECTOR

27 July 2022

Mr Lee is the Executive Chairman of the Group since June 2017. He is also the Managing Director of Edward Lee Apartments Private Limited. Mr Lee was previously a Senior Consultant at Cambridge Associates where he led the firm's hedge fund research in Asia and constructed and oversaw hedge fund portfolios for a broad range of clients. Prior to joining Cambridge Associates, Mr Lee was the Corporate Finance Director of First World Capital. He was also previously an Investment Banking Analyst at Lehman Brothers, Inc. where he worked on mergers & acquisition, initial public offering, and debt restructuring exercises in the South East Asia region. Mr Lee received a Bachelor of Commerce in Accounting/Finance from the University of Melbourne and was a Deacons Graham James Scholar at the Melbourne Law School. Mr Lee was conferred the Spirit of Enterprise Award in 2016.



## Ong Ghim Choon

*Chief Executive Officer, Non-Independent Executive Director*

### DATE OF FIRST APPOINTMENT AS A DIRECTOR

19 August 2009

### DATE OF LAST RE-ELECTION AS A DIRECTOR

27 July 2022

Mr Ong is the Chief Executive Officer of the Group since February 2010. Mr Ong is responsible for the overall supervision and management of the business of the Group. He has extensive experience in the telecommunications industry, having been a pioneer in the establishment and management of several telecommunications companies since 1993, which engaged in the distribution and retail of telecommunications and related products and accessories in the region.



## Zhang Yanmin

*Executive Director, Non-Independent Director*

### DATE OF FIRST APPOINTMENT AS A DIRECTOR

29 March 2018

### DATE OF LAST RE-ELECTION AS A DIRECTOR

28 April 2023

Ms Zhang is an Executive Director of mDR Ltd. Ms Zhang is also Advisor to Yann Investment Co., Ltd, where she takes on the role of chief investment officer and manages a portfolio of public equity investments. She graduated from the Singapore Polytechnic with a Diploma in Business Administration and attended The Royal Melbourne Institute of Technology (RMIT) majoring in Investments & Finance.



## Mark Leong Kei Wei

*Lead Independent Non-Executive Director*

### DATE OF FIRST APPOINTMENT AS A DIRECTOR

15 May 2017

### DATE OF LAST RE-ELECTION AS A DIRECTOR

28 April 2023

Mr Leong presently serves as the Lead Independent Director and Audit and Risk Committee Chairman of mDR Ltd. He has considerable corporate, management and directorship experience in a broad range of functions and industries having undertaken several C-suite roles (Chairman, CEO, COO & CFO) in several private as well as listed companies. Mr Leong currently serves as Non-Executive and Independent Director in several SGX listed companies as well as an ASX listed company and a NASDAQ listed company. Mr Leong is a Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA), a Fellow of the Association of Chartered Certified Accountants (ACCA), and a Member of the Singapore Institute of Directors.

# BOARD OF DIRECTORS



## Oei Su Chi, Ian

*Independent Non-Executive Director*

### DATE OF FIRST APPOINTMENT AS A DIRECTOR

1 June 2017

### DATE OF LAST RE-ELECTION AS A DIRECTOR

27 July 2022

Mr Oei presently serves as an Independent Director of mDR Ltd. He is a Legal Counsel for Guotai Junan International (Singapore), a Singapore subsidiary of one of the largest securities houses in China and Hong Kong (SAR). Prior to joining Guotai Junan, Mr Oei was an in-house legal counsel with a Singapore based foreign MNC, with businesses in paper, palm oil, construction and energy. Before that, he was in legal practice and had held the position of Director, Intellectual Property, with a leading Singapore law firm. Mr Oei holds an LL.M. degree from the National University of Singapore and has an IBF Advanced Certificate in Governance, Risk and Compliance.



## ONG SIOW FONG

*Independent Non-Executive Director*

### DATE OF FIRST APPOINTMENT AS A DIRECTOR

28 September 2020

### DATE OF LAST RE-ELECTION AS A DIRECTOR

30 April 2021

Ms Ong presently serves as an Independent Director of mDR Ltd. She is an Associate Senior Sales Director at SRI Pte Ltd, where she assists clients to evaluate potential business opportunities in real estate assets and also works closely with other asset management teams on portfolio reporting and marketing strategies. Ms Ong is also the Managing Director of Amicus Capital Management Pte Ltd, which is engaged in the business of providing management consultancy services. Prior to joining SRI, Ms Ong had been a Senior Associate Marketing Director at PropNex. Before that she was a Financial Consultant with Prudential Assurance Company Singapore (Pte) Ltd. Ms Ong holds a Diploma in Business Informatics from the Nanyang Polytechnic.



## **LIU YAO**

*Independent Non-Executive Director*

### **DATE OF FIRST APPOINTMENT AS A DIRECTOR**

28 September 2020

### **DATE OF LAST RE-ELECTION AS A DIRECTOR**

28 April 2023

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Ms Liu presently serves as an Independent Director of mDR Ltd. She is a Chartered Professional Accountant (Australia). Ms Liu was previously a Finance Manager in a family office. Before that, she was a Finance Supervisor with Schenker Logistics (Shanghai) Co., Ltd. Prior to joining Schenker Logistics, Ms Liu was an Industry Controller with Louis Dreyfus Company (Shanghai). Before that, she was an Assistant Manager (Audit) with KPMG Singapore with a focus on Real Estate, Consumer & Tourism sectors for both public listed and private companies. Ms Liu received a Bachelor of Business (Major in Accountancy) degree from the RMIT University, Australia.

# MANAGEMENT TEAM



## **Edward Lee Ewe Ming**

*Executive Chairman*

Mr Lee is the Executive Chairman of the mDR Group since June 2017. Please refer to his profile under the “Board of Directors” section of this Annual Report.

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## **Ong Ghim Choon**

*Group CEO*

Mr Ong is the Group CEO of mDR Ltd since February 2010. Please refer to his profile under the “Board of Directors” section of this Annual Report.

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## **Zhang Yanmin**

*Executive Director*

Ms Zhang is an Executive Director of mDR Ltd since July 2018. Please refer to her profile under the “Board of Directors” section of this Annual Report.

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## **Yip Li San**

*Group CFO*

Ms Yip is the Group CFO of mDR Ltd since May 2018. Prior to that she was the Director (Accounts and Finance) of mDR. She joined DMS (a subsidiary of mDR) as Financial Controller in January 2004. Ms Yip leads the Accounts and Finance Department of the Group and oversees the financial affairs and reporting for the Group. Prior to joining the Group, Ms Yip has 11 years of accounting experience with Transware Distribution Services Pte Ltd (a subsidiary under Keppel Telecommunications & Transportation Group). Ms Yip holds a Bachelor of Accountancy degree from the National University of Singapore and is currently a non-practising member of the Institute of Singapore Chartered Accountants.

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### **Cindy Tham**

CCO

Ms Tham manages the Distribution and Retail businesses of the mDR Group. She joined the Group in 2022. Prior to joining the mDR Group, Ms Tham was with M1 as the General Manager (Marketing) managing the post-paid consumer base. Ms Tham holds a Bachelor of Commerce (Finance & Marketing) from Curtin University of Technology.

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### **Jimmy Ong**

Director (Logistics)

Mr Ong is the Director (Logistics) of A-Mobile. He is also responsible for the overall oversight of After-Market Services (AMS). He joined the Group in 2004.

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### **Alexander Lim**

CEO, Pixio

Mr Lim is the CEO of Pixio Sdn. Bhd. (Pixio) since 2013, when Pixio became a wholly-owned subsidiary of mDR Ltd. He oversees the operations and management of the Digital Inkjet Printing for Out-Of-Home Advertising Solutions (DPAS) business of the mDR Group.

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### **Madan Mohan**

Director (Legal)

Mr Mohan is the Director (Legal) and Company Secretary of mDR Ltd. He oversees and manages the legal, investor relations and secretarial matters of the Group. Mr Mohan joined the mDR Group in 2013. He received a Master of Laws (LL.M.) degree with specialisation in Intellectual Property and Technology Law from the National University of Singapore and is an Associate member of the Chartered Secretaries Institute of Singapore.

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# GROUP STRUCTURE

(As at 31 December 2023)



**97.53%**  
**Distribution  
Management  
Solutions Pte. Ltd.**  
*(Singapore)*

**100%**  
**VT Cosmetics  
Pte Ltd**  
*(Singapore)*

**100%**  
**MDR Asset  
Holdings Pte Ltd**  
*(Singapore)*

Not Meaningful

**100%**  
**SDS Pte. Ltd.**  
*(Singapore)*

**100%**  
**A-Mobile  
Pte. Ltd.**  
*(Singapore)*

**100%**  
**Handphonestop  
Pte. Ltd.**  
*(Singapore)*

**100%**  
**3 Mobile  
Telecom Pte. Ltd.**  
*(Singapore)*

**100%**  
**Grabphone  
Pte. Ltd.**  
*(f.k.a. NBRC Pte Ltd)*  
*(Singapore)*



**51%**  
**MDR Myanmar**  
**Co., Ltd**  
*(Myanmar)*

**100%**  
**Pixio**  
**Sdn. Bhd.**  
*(Malaysia)*

**90%**  
**Pixio Myanmar**  
**Co., Ltd.**  
*(Myanmar)*

10%

**50%**  
**Pixio United**  
**Sdn. Bhd.**  
*(f.k.a. United Pixio Sdn Bhd)*  
*(Malaysia)*

- Active Companies
- Dormant Companies

# BUSINESS NETWORK

(As at 18 March 2024)



## Singtel Exclusive Retailer

- 1 **Junction 8**  
9 Bishan Place,  
#02-32, S(579837)
- 2 **Compass One**  
1 Sengkang Square,  
#B1-08, S(545078)
- 3 **Hougang Mall**  
90 Hougang Ave 10,  
#04-17, S(538766)
- 4 **ION Orchard**  
2 Orchard Turn,  
#B3-K1/K2, S(238801)
- 5 **Harbourfront Centre**  
1 Maritime Square  
#02-115, S(099253)

## Samsung Experience Stores

- 6 **VivoCity**  
1 Harbourfront Walk,  
#02-28/29, S(098585)
- 7 **Westgate**  
3 Gateway Drive,  
#01-01, S(608532)
- 8 **Plaza Singapura**  
68 Orchard Road,  
#B2-23, S(238839)

## Samsung Service Centres

- 9 **Causeway Point**  
1 Woodlands Square,  
#03-12, S(738099)
- 10 **Plaza Singapura**  
68 Orchard Road,  
#B2-23, S(238839)
- 11 **VivoCity**  
1 Harbourfront Walk,  
#02-28/29, S(098585)
- 12 **Westgate**  
3 Gateway Drive,  
#02-01, S(608532)

## ZYM Mobile

- 13 **Ubi Crescent**  
53 Ubi Crescent  
#01, S(408594)

## Pixio

- 14 **Pixio Sdn. Bhd.**  
PT 12873 (D17B),  
Nilai Industrial Estate,  
71800 Nilai, Negeri Sembilan,  
Malaysia
- 15 **Pixio United Sdn. Bhd.**  
Lot 88, Block 3,  
MCLD Wisma United,  
Borneo Press Jalan Piasau,  
98000 Miri Sarawak, Malaysia

# SUSTAINABILITY REPORT

## About This Report

mDR Limited (“mDR” or the “Company” and together with its subsidiaries, the “Group”) is proud to affirm its commitment to sustainability with the publication of its annual Sustainability Report (“Report”). The Report captures mDR’s sustainability efforts, performance and strategies over the financial year 1 January 2023 to 31 December 2023 (“FY2023” or “Reporting Period”).

This Report has been prepared with reference to the Global Reporting Initiative (“GRI”) Standards 2021 and in compliance with the requirements of Rules 711A and 711B of the SGX Listing Rules. We have chosen GRI Standards 2021 as it provides a holistic and globally accepted framework for sustainability reporting, enabling us to communicate our Economic, Environment, Social and Governance (“EESG”) impacts (collectively, “Sustainability Factors”) effectively. The contents and identified aspect boundaries included have been defined by four reporting principles under the GRI Standards — stakeholder inclusiveness, sustainability context, materiality, and completeness. These principles are essential in the materiality process and have been fundamental to the development of this Report.

In addition, we have adopted the Task Force on Climate-related Financial Disclosures (“TCFD”) Recommendations in this FY2023 Sustainability Report. By adopting the recommendations, we have committed to providing various information related to our sustainability practices in an ideal and effective way.

This Report covers our operations in Singapore and Malaysia, which contributed 100% (FY2022: 100%) of our total revenue for the Reporting Period.

Sl. No.	Entity	Country
1	mDR Limited (“mDR”)	Singapore
2	Distribution Management Solutions Pte. Ltd (“DMS”)	Singapore
3	A-Mobile Pte Ltd (“A-Mobile”)	Singapore
4	3 Mobile Telecom Pte Ltd (“3 Mobile”)	Singapore
5	Handphonestop Pte Ltd (“Handphonestop”)	Singapore
6	SDS Pte Ltd (“SDS”)	Singapore
7	Pixio Sdn Bhd (“Pixio”)	Malaysia

For any sustainability-related matter, please contact the Investor Relations Department at [corporateaffairs@mdr.com](mailto:corporateaffairs@mdr.com).

## Board Statement

mDR is delighted to present its Sustainability Report for FY2023. The Report displays our commitment to integrating sustainability across our organisation and providing quality service to our valuable stakeholders.

The Board of Directors of the Company (the “Board”) oversees the management and monitoring of the Sustainability Factors discussed in this Report and takes them into consideration in the determination of the Group’s strategic direction and policies. An internal review of the sustainability reporting process has been incorporated as part of our internal audit review cycle.

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
<p>We are committed to driving sustainable economic growth and value creation while preserving the environment and resources. We are also committed to creating an environment of transparency and trust, both internally and with our stakeholders. We will continue to ensure that our employees understand expectations regarding ethical behaviour. We are proud to report that there were no (FY2022: Nil) confirmed incidents of corruption reported in FY2023.</p>	<p>We aim to conduct our business in an environmentally conscious manner and are aware of our responsibility towards global environmental and climate challenges. We have focused our efforts on reducing energy consumption, using environmentally friendly shopping bags, and reducing environmental waste. In the future, mDR aims to identify more areas of improvement where we can further manage and mitigate our environmental impact.</p>	<p>We value our stakeholders immensely. This is reflected in our continuous efforts to gain customer satisfaction, and stakeholders’ confidence and trust. We take compliance with applicable marketing regulations seriously and plan to further enhance our services in the future. We had no (FY2022: Nil) reported incident concerning breaches in customer privacy in FY2023. mDR has deployed various technological measures to safeguard the security of its customers’ and employees’ confidential information and personal data. Since 2017, mDR has set up a “Data Protection Committee”, which is responsible for managing all matters related to personal data protection.</p>	<p>The Board of Directors ensures that we comply with good corporate governance standards and operate in an ethical manner. Various Committees have been set up by the Board, to assist the Board in the efficient execution of its responsibilities. By identifying more opportunities and setting clearer objectives and targets, mDR hopes to embed sustainability deeper into corporate culture, and further improve our sustainability performance. We thank our stakeholders for their continued support in every aspect of our business and look forward to sharing our new initiatives and improvements as part of our sustainability journey.</p>

# SUSTAINABILITY REPORT

## Sustainability at mDR



mDR strongly believes in promoting good sustainability practices in our staff, and across all our operations. We acknowledge the importance of reducing environmental harm and the impact that may arise from business operations.

The Board provides guidance on social, ethical and environmental impacts of the Group’s activities and monitors compliance with sustainability issues and practices. This is reflected in our vision and mission.

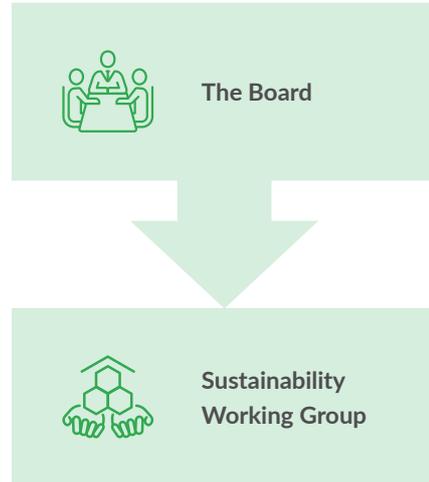
### OUR JOURNEY TO ADDRESS CLIMATE CHANGE

mDR is aware that climate change is one of the biggest challenges facing society and the economy today. To participate in the global fight against climate change, we are pleased to adopt the TCFD Recommendations in 2023 and apply them in this Report. The preparation of this Report was a collective effort between the Board and Sustainability Working Group (“SWG”) and is a testament to our increased awareness of climate change and engagement with our stakeholders.

We plan to improve our climate reporting as we increase our understanding of climate-related risks and opportunities facing our business. For more information on our strategy to address climate-related risks, please refer to the Task Force on Climate-related Financial Disclosures section of this Report.

## Sustainability Governance

### OVERVIEW OF MDR'S SUSTAINABILITY GOVERNANCE



The Board of Directors of the Company is accountable for oversight of the Group’s sustainability agenda, including, but not limited to, overseeing the management of material Sustainability Factors including climate-related risks and opportunities and integrating sustainability-related considerations into Group’s strategic direction and policies. The Board has assigned the Sustainability Working Group to assist the Board in the efficient execution of its sustainability responsibilities. The SWG is chaired by the Chief Financial Officer (“CFO”) and is comprised of senior management and employees from various operations. The SWG is tasked with strategic management of the Sustainability Factors and the implementation of Group-wide sustainability initiatives and efforts. The SWG also facilitates the sustainability reporting process and the issuance of the Sustainability Report and holds annual meetings to discuss sustainability-related issues, policies and performance.

Under the purview of the SWG are the Heads of Departments (“HODs”) from the relevant operations, who are accountable for the coordination of the sustainability reporting process across the Group and executing sustainability initiatives as determined by the SWG. The HODs also assist in collecting, monitoring, and reporting the sustainability performance data in their respective departments for SWG’s review and approval.

Addressing sustainability and climate issues go hand in hand. Therefore, we aim to achieve sustainability targets and disclose our progress in the sustainability report.

## Stakeholder Engagement

At mDR, we develop our sustainability strategy by seeking stakeholders’ feedback on issues that are material to them and assessing how the issues may impact our business. We select our stakeholders based on their diverse representation of perspectives and interests. Each stakeholder group brings a unique perspective and expertise that helps us manage sustainability issues. Our key stakeholders were engaged through various modes of engagement listed below.

We continuously seek to improve our stakeholder engagement and feed their inputs into our business strategy. This helps us to shape the sustainability strategy and build the trust necessary to strengthen our relationships with the stakeholders.

Our sustainability strategy acts as the starting point of our climate strategy to transition to a lower carbon economy. We have engaged our stakeholder groups, comprising shareholders, suppliers, customers, employees, and top management, to review Sustainability Factors to identify the relevant issues affecting sustainability.

To ensure sustainability considerations are reflected in business decisions and communication to our stakeholders, we established a feedback loop with the Board for sustainability-related issues. The feedback from our stakeholders is also discussed in the meeting(s) with the Board.

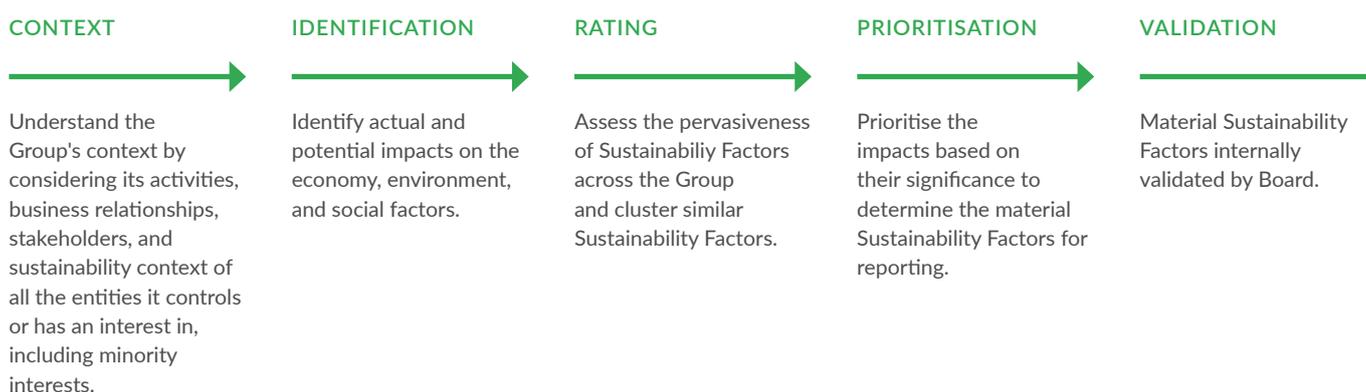
Stakeholder	Key Topics and Concerns	Mode of Engagement	Frequency of Engagement
Shareholders	● Economic Performance	● AGM	● Annually
	● Indirect Economic Impacts	● Extraordinary General Meeting	● As Needed
	● Anti-corruption	● Financial Performance announcements	● Half-yearly
		● Electronic Communication	● As Needed
Suppliers	● Economic Performance	● Quotations, Request for proposals	● As Needed
	● Customer Privacy	● Evaluation applications	● As Needed
	● Market Presence	● Meetings/Calls/Feedback	● As Needed
		● Electronic Communication	● As Needed
Customers	● Economic Performance	● Customer Service Calls/Customer Interactions	● As Needed
	● Marketing and Labelling	● Media events	● As Needed
	● Anti-corruption	● Advertising	● As Needed
		● Electronic Communication	● As Needed
Employees	● Employment	● Monthly payroll	● Monthly
	● Training and Education	● Department meetings	● As Needed
	● Occupational Health and Safety	● Staff appraisals	● Annually
		● Training & product knowledge	● Periodically
	● Electronic Communication	● As Needed	
Top Management	● Economic Performance	● Board meetings	● Quarterly
	● Customer Privacy	● Electronic Communication	● As Needed
	● Marketing and Labelling	● Meetings/Calls/Feedback	● As Needed
		● Performance review	● Annually

# SUSTAINABILITY REPORT

## Materiality Assessment

The materiality assessment was carried out in accordance with the GRI Standards to identify important issues that affect our stakeholders across the economic, environmental, social and governance aspects.

In order to ensure an accurate determination of material issues, we undertook the process of identification, rating, prioritisation, and validation as illustrated below:



In FY2022, there were 4 new material Sustainability Factors identified, namely anti-corruption, training and education, risk management and occupational health and safety. In FY2023, the Group reviewed previously prioritised material Sustainability Factors for their continued relevance to the business and its stakeholders. As a result, the Group reaffirmed that all 9 material factors remain relevant and will continue to monitor and update the material Sustainability Factors from time to time, taking into account the feedback that we receive from our various stakeholders.

A list of material Sustainability Factors applicable to the Group for FY2023 is set out below:

Categories	Material Aspect	List of Indicators	Aspect Boundary
Economic	Economic Performance	GRI 201-1 Direct economic value generated and distributed	Within Organisation
	Anti-corruption	GRI 205-3 Confirmed incidents of corruption and actions taken	Within Organisation
Environment	Energy	GRI 302-1 Energy consumption within the organization	Within Organisation
		GRI 302-4 Reduction of energy consumption	
	Occupational Health and Safety	GRI 403-1 Occupational health and safety management system GRI 403-2 Hazard identification, risk assessment, and incident investigation GRI 403-9 Work-related injuries	Within Organisation
Social	Training and Education	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	Within Organisation
	Diversity and Equal Opportunity	GRI 405-1 Diversity of governance bodies and employees	Within Organisation
	Marketing and Labelling	GRI 417-2 Incidents of non-compliance concerning product and service information and labelling	Within Organisation
		GRI 417-3 Incidents of non-compliance concerning marketing communications	
Customer Privacy	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Within Organisation	
Governance	Risk Management	Annual review of Enterprise Risk Management Framework	Within Organisation

## Economic

### ECONOMIC PERFORMANCE

mDR Group aims to generate economic value from diverse and sustainable revenue streams and contribute to the development of our stakeholders.

For detailed financial results, please refer to the following sections in our Annual Report FY2023:

- Financial highlights, pages 8 to 9;
- Operations review, pages 4 to 7; and
- Financial statements, pages 68 to 77.

The Group will continue to work towards its efforts to accelerate growth and value-creation for all stakeholders over the long term.

### ANTI-CORRUPTION

mDR upholds a high standard of integrity as shown by our anti-corruption stance. We have adopted a whistle-blowing policy pursuant to which employees, suppliers, customers and other stakeholders may, in confidence, raise concerns about possible improprieties in financial or other matters of the Group or any misconduct or wrongdoing relating to the Group and its employees or officers.

The whistle-blowing policy is administered by the Audit and Risk Committee (“ARC”), which is responsible for the oversight and monitoring of whistle-blowing. A complainant may choose to report a whistle-blowing complaint either to the Internal Audit (“IA”) or to the ARC directly, both of which are independent functions. Whistle-blowing complaints, if any, are reviewed by the IA or ARC, and any concerns raised are independently investigated in good faith. Where the ARC deems fit, the Group will engage a third party to conduct an investigation at the expense borne by the Group. The ARC ensures that the identity of the whistle-blower is kept confidential and the complainant does not suffer any reprisal and/or detrimental or unfair treatment.

#### FY2023 Performance:

We classified Anti-corruption as a material Sustainability Factor this year as it poses a risk to long-term value creation. We have met our target. There were no (FY2022: Nil) confirmed incidents of corruption reported for this year.

#### FY2024 Target:

We aim to maintain zero incidents of corruption for FY2024.



# SUSTAINABILITY REPORT

## Environment

### ENERGY

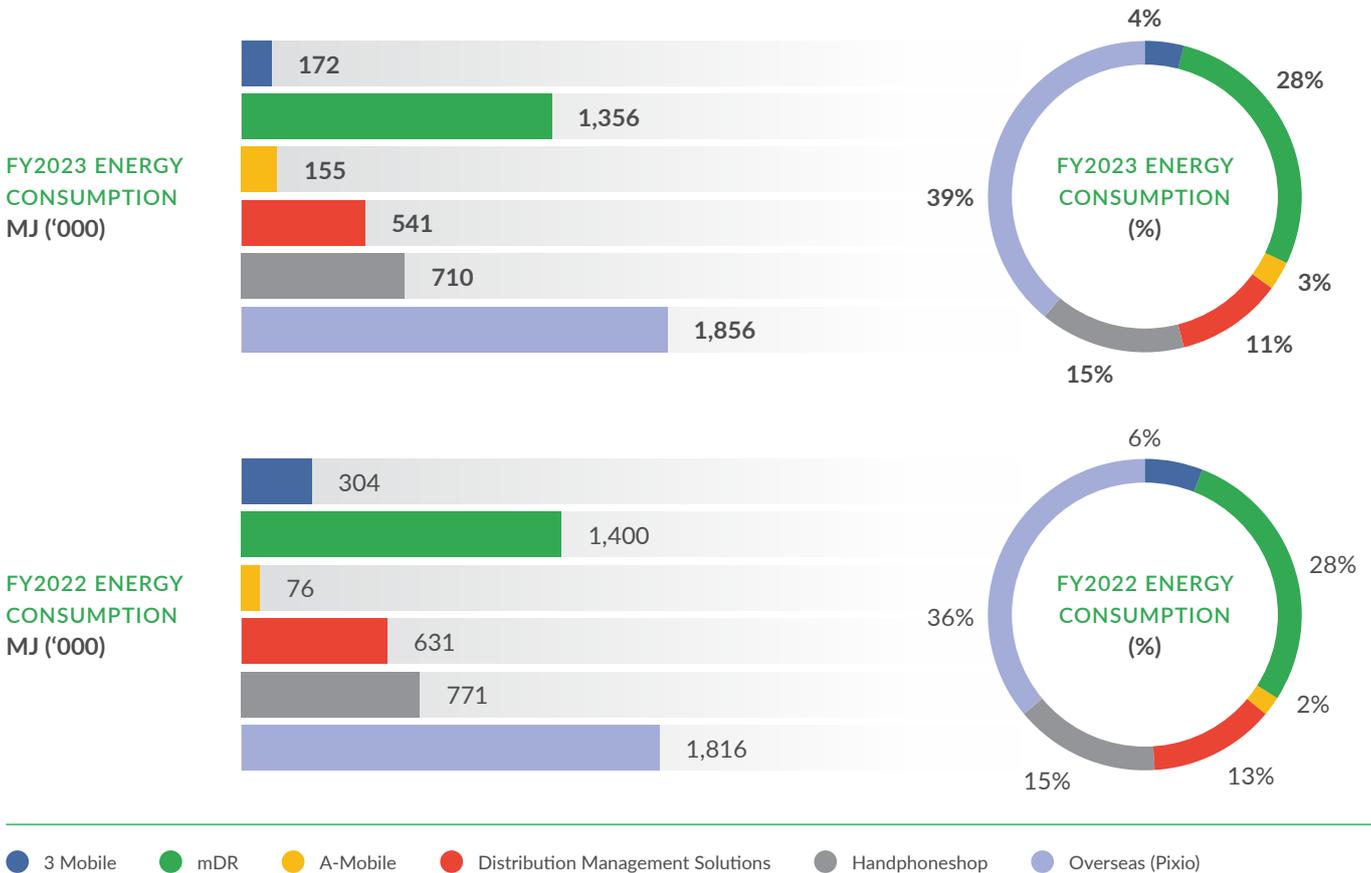
mDR aims to operate in a sustainable manner to help protect the environment and provide a healthy working atmosphere for its employees and customers.

In our daily operations, electricity which is used to power our office buildings, retail outlets, and machineries, contributes to the majority of our energy consumption. Other notable consumption includes petroleum and diesel which are used by the Logistics department for transportation and distribution.

In 2017, mDR carried out a renovation exercise for its office building, by installing several energy-saving ceiling lights to reduce overall electricity usage. This has resulted in both, energy and cost savings.

The Group's internal policy requires that lights, air conditioners, water dispensers and other electrical appliances be switched off when not in use. For environmental conservation, we also encourage our staff to practice 2-sided printing and print documents only when needed.

Key statistics in relation to our energy consumption performance are as follows:



In FY2023, mDR Group recorded total energy consumption of approximately 4,789,000MJ (FY2022: approximately 4,997,000MJ) of which, electricity consumption amounted to 3,249,000MJ (FY2022: 3,567,000MJ). As depicted above, overseas operations reported the largest energy consumption out of all the other areas of operations, accounting for almost 39% (FY2022: 36%) of energy consumption. Also documented is the estimated petrol and diesel consumption of 1,540,000MJ (FY2022: 1,430,000MJ) from delivery vehicles and other usages.

**FY2024 Target:**  
 With more efforts to identify, manage, and minimise the environmental impact of our business operations, mDR expects that we can reduce overall energy consumption. We look forward to rolling out more energy-efficient initiatives and improvements that will help to reduce energy consumption. We will also seek improvements in energy efficiency by investing in innovative and practical solutions to mitigate and prevent adverse environmental impacts.

## Social

We are committed to creating and realising value for the communities and environment we operate in. Our aim is to create opportunities that benefit both our business and the communities we operate in.

### OCCUPATIONAL HEALTH AND SAFETY

mDR is committed to providing a safe and healthy work environment for all employees, customers, contractors, and general office visitors. We aim to fully integrate health and safety in all aspects of our business by:

- Implementing and maintaining systematic health and safety management throughout our workplaces and complying with legal requirements;
- Setting measurable objectives and targets aimed at controlling higher-risk activities; and
- Increasing awareness of safety and health.

#### FY2023 Performance:

In FY2023, we assessed our operations, and there were no (FY2022: Nil) fatalities or reported incidents as a result of work.

#### FY2024 Target:

We strive to maintain zero fatalities or reported incidents as a result of work for FY2024.

### TRAINING AND EDUCATION

mDR is committed to employees' development and encourages skills training and education for the advancement of our employees. We also support on-the-job training to enhance our workforce's understanding of their domains.

Our directors have successfully completed the prescribed training on sustainability matters as per the SGX-ST listing rules.

#### FY2023 Performance:

We noted that training and education are material for our stakeholders and business as seen from our stakeholder engagement. In FY2023, employees and/or directors attended courses, that include, product launches, product repairs, personal data protection, and climate reporting.

#### FY2024 Target:

We will strive to invest in continuing training and skills development for our employees to enhance their knowledge, performance and customer service skills.

### DIVERSITY AND EQUAL OPPORTUNITY

The Board recognises and values the benefits of diversity in achieving its business and strategic objectives. The Board is committed to achieving an appropriate balance and diversity of skills, experience, gender, and age, which fosters open and constructive debate and avoids groupthink. The Board is updated periodically on the progress made in preserving diversity and equal opportunities across the organisation.

#### FY2023 Performance:

There were no (FY2022: Nil) reported discrimination incidents reported to the management across the operating markets.

#### FY2024 Target:

We strive to maintain zero reported discrimination incidents across the operating markets for FY2024.

Our employee distribution statistics are shown below:

**Employees Distribution by Countries**  
(Includes Full time and Part time Employees)

FY2023	84%	16%
FY2022	83%	17%

**Employees Distribution by Gender**  
(Includes Full time and Part time Employees)

FY2023	42%	58%
FY2022	45%	55%

● Singapore ● Malaysia

● Female ● Male

# SUSTAINABILITY REPORT

## MARKETING AND LABELLING

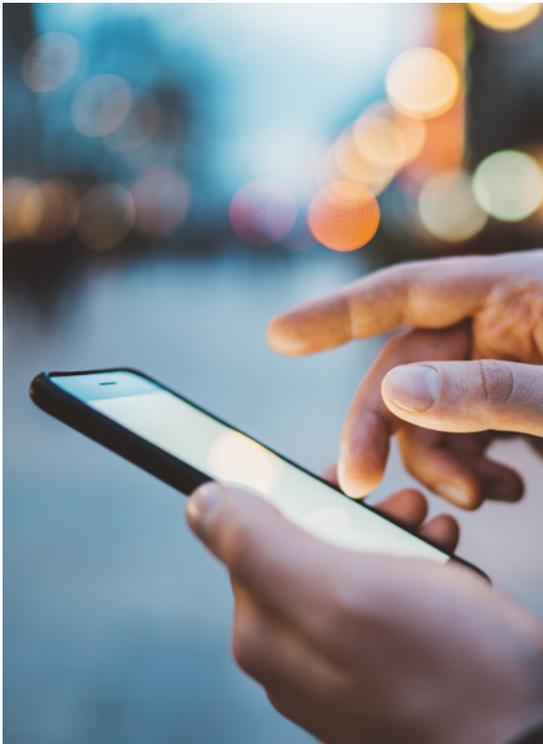
We are proud of our partnerships with global mobile device manufacturers, consumer electronics companies, and leading telecommunications service providers to provide customers with a wide range of latest innovative consumer devices and services, which are also offered in accordance with the laws and regulations related to marketing, advertising and product labelling. In addition, mDR also offers after-market services at easily accessible locations. Our goal is to consistently meet customers' expectations by providing them with value-added services.

### **FY2023 Performance:**

There were no (FY2022: Nil) incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling.

### **FY2024 Target:**

We will strive to maintain zero incidents of non-compliance concerning product and service information and labelling.



## CUSTOMER PRIVACY

We place utmost emphasis on ensuring the security and confidentiality of our database and customer information. We are committed to protecting the privacy and personal data of our customers and employees. We use various security measures to assure the safety of customer transactions and personal data. Access to such transactions and data is restricted on a need-to-know basis.

Specific details of our commitment can be found in the Group's Personal Data Protection Policy, available at our corporate website ([www.m-dr.com](http://www.m-dr.com)). All employees are required to familiarise, understand and comply with the policies, standards and guidelines concerning data privacy and protection. Third-party service providers who process personal data on our behalf are also required to comply with the terms of the Group's Personal Data Protection Policy.

In 2017, we set-up a Data Protection Committee ("DPCo"). The DPCo is led by the Group Data Protection Officer to oversee all matters pertaining to personal data protection and comprises members from the Operations, IT, Legal and Internal Audit teams. The core responsibilities of the DPCo include reviewing existing procedures and practices and providing advice to various business divisions on data protection policies and guidelines.

Quarterly circulars are sent to employees in relation to compliance with PDPA. A wide range of educational resources are made available on our intranet portal, which is accessible to employees. The DPCo updates the contents on the portal from time to time with various information and developments on matters in relation to data protection and PDPA.

### **FY2023 Performance:**

There was no (FY2022: Nil) incident of breaches of customer privacy or loss of personal data in FY2023.

### **FY2024 Target:**

We strive to maintain zero incidents of breaches to customer privacy or loss of personal data.

## Governance

### RISK MANAGEMENT

The Group recognises the importance of risk management and how business risks may adversely affect our business performance. We have put in place an Enterprise Risk Management Framework (“ERM Framework”) which governs the risk management process of the Group. We regularly review our business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

The Group is also cognisant of the fact that sustainability and climate-related risks are global issues that may impact the way we operate in the future. As such, the Board and key management continuously improve their understanding, internal control and management of the risks to integrate sustainability-related risks into the Group’s ERM Framework.

We value stakeholders’ inputs as we move forward with this process and welcome any suggestions they may have.

#### **FY2023 Performance:**

We have classified Risk Management as material as managing enterprise risk is essential to sustainability. We have performed a risk assessment review and evaluated sustainability-related risks that are relevant to the Group.

#### **FY2024 Target:**

We will continue to conduct annual risk assessment review and evaluate sustainability-related risks that are relevant to the Group.

## Task Force on Climate-related Financial Disclosures

### ALIGNING WITH TCFD RECOMMENDATIONS

We are committed to supporting the recommendations by the TCFD and have disclosed our climate-related financial disclosures in line with key areas as recommended by the TCFD as follows:

#### TCFD Recommended Disclosures

##### Governance

##### **a. Describe the board’s oversight of climate-related risks and opportunities.**

The Board is accountable for oversight of the Group’s climate-related issues across the Group, including, but not limited to, overseeing the management of climate-related risks and opportunities, and integrating climate-related considerations into the Group’s strategic direction and policies, as well as approving the strategy, initiatives and performance targets relating to addressing climate risks. The Board ensures that climate-related issues are incorporated into the Board meeting as agenda items, including discussion on climate-related risks and opportunities and updates on progress pertaining to relevant initiatives.

##### **b. Describe management’s role in assessing and managing climate-related risks and opportunities.**

The Company established the Sustainability Working Group, an internal committee responsible for assessing and managing sustainability-related risks and opportunities.

By virtue of delegation to support the Board, the Sustainability Working Group, chaired by the Group’s Chief Financial Officer, is tasked with strategic management of climate-related risks and opportunities, including driving the implementation of Group-wide climate-related initiatives and recommending policies, guidelines, and procedures to support climate-related management efforts as well as climate disclosures. The SWG is also in charge of monitoring and managing sustainability and climate-related concerns raised by stakeholders, followed by undertaking a materiality assessment. The SWG also makes periodic reports to the Board pertaining to climate-related risks relevant to the Group’s business.

# SUSTAINABILITY REPORT

## Strategy

- a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

The Group recognises that climate change poses various types of risks to our business. The Group leverages on the Group's sustainability strategy and management approaches to material Sustainability Factors, as well as conducts climate-related analysis within similar industries and peer benchmarking analysis to identify and assess climate-related risks and opportunities across our operations. The potential financial impacts that are applicable to the Group in the short (Year 2025), medium (Year 2030) and long term (Year 2050) are as follows:

Climate-related risks and opportunities	Description	Anticipated financial impact	Timeframe
<b>Physical risk</b> Rising mean temperatures and increased extreme weather events	Increased frequency and severity of flash floods and soil erosion as a result of climate change may increase economic damage to our assets, and leased building(s). Extreme weather events may also affect well-being and health of employees and thereby impact the work efficiency, which in turn may increase costs for operational expenses.	Increased operating costs	Medium to Long term
<b>Transition risk</b> Expansion of carbon pricing mechanism	Changes in policy such as expansion in carbon tax coverage (i.e. Singapore Carbon Pricing (Amendment) Act 2022) and increase in carbon tax rates, may lead to increased operating costs.	Increased carbon emission pricing	Medium to Long term
<b>Transition risk</b> Enhanced climate reporting requirements	Increased expectations and disclosure requirements from various stakeholders, such as regulators and investors, have driven the Group to address climate change more effectively. Failure to comply with relevant climate reporting requirements may have an adverse impact on Group's reputation and financial performance.	Increased operating and compliance costs	Short to Medium term
<b>Opportunities</b> Increased supply chain resilience and adaptability	The Group will continue to enhance the robustness of its supply chain by strengthening the supply chain resilience through our partnership with global mobile device manufacturers, telecommunication service providers and consumer electronics companies.	Decreased operating costs  Increased business revenue	Medium to Long term

We are committed to increasing our understanding of GHG emissions across our operations as well as conducting qualitative scenario analysis in the future in order to better manage climate-related risks and opportunities as we grow in our sustainability journey.

## Risk Management

### **a. Describe the organization's processes for identifying and assessing climate-related risks.**

In order to ensure and maintain a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, the Company has leveraged on Enterprise Risk Management which governs the risk management process in the Group and enables the identification, prioritisation, assessment, management, and monitoring of key risks to the Group's business.

The Audit and Risk Committee and Sustainability Working Group have worked together to carry out risk assessment as well as to integrate climate-related risks into the framework. The key sustainability and climate risks identified will be reviewed by the Audit and Risk Committee, which will advise the Board on strategies and measures to manage and mitigate these risks.

In the future, the Group will be exploring and adopting more measures to mitigate, transfer, or control sustainability-related risks including those related to climate change to better adapt to climate change.

## Metrics and targets

### **a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.**

Realising our climate ambitions requires setting targets, measuring and improving related climate-related metrics, and to provide our stakeholders with a better understanding of our efforts and progress in managing our key climate-related risks and opportunities, we disclose metrics and targets such as those related to energy consumption. Please refer to page 26 in the Sustainability Report.

We are cognisant of the importance of mitigating and reducing GHG emissions across our operations and hence we will work towards tracking and disclosing Scope 1 and Scope 2 GHG emissions relevant to the Group in the future.

We are aware that sustainability is a long-term journey and we strive to be transparent in the way we manage sustainability issues. The Group will ensure that the necessary steps, initiatives and efforts are put in place in to meet our sustainability goals. We believe that by describing our sustainability management approach and disclosing our progress in the following sections we can track our progress and make the meaningful impact that we aim to achieve.

# SUSTAINABILITY REPORT

## GRI Content Index

<b>Statement of use</b>	mDR Limited has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard (s)</b>	No applicable Sector Standard(s) available as at date of publication

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>LOCATION</b>
	2-1 Organizational details	Page 2-3
	2-2 Entities included in the organization's sustainability reporting	Page 20
	2-3 Reporting period, frequency and contact point	Page 20
	2-4 Restatements of information	None
	2-5 External assurance	Not Applicable
	2-6 Activities, value chain and other business relationships	Page 2-3
	2-7 Employees	Page 27
	2-8 Workers who are not employees	Page 27
	2-9 Governance structure and composition	Page 38-40
	2-10 Nomination and selection of the highest governance body	Page 38-40, 42
	2-11 Chair of the highest governance body	Page 10, 35
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 35
	2-13 Delegation of responsibility for managing impacts	Page 22
	2-14 Role of the highest governance body in sustainability reporting	Page 22
<b>GRI 2: General Disclosures 2021</b>	2-15 Conflicts of interest	Page 56
	2-16 Communication of critical concerns	Page 25, 51
	2-17 Collective knowledge of the highest governance body	Page 35-36
	2-18 Evaluation of the performance of the highest governance body	Page 44
	2-19 Remuneration policies	Page 44-45
	2-20 Process to determine remuneration	Page 44-45
	2-21 Annual total compensation ratio	Page 46-48
	2-22 Statement on sustainable development strategy	Page 21
	2-23 Policy commitments	Page 25
	2-24 Embedding policy commitments	Page 25
	2-25 Processes to remediate negative impacts	Page 25
	2-26 Mechanisms for seeking advice and raising concerns	Page 25, 51
	2-27 Compliance with laws and regulations	Page 28
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	Page 23
	2-30 Collective bargaining agreements	None

## GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
<i>GRI 3: Material Topics 2021</i>	3-1 Process to determine material topics	Page 24
	3-2 List of material topics	Page 24
	3-3 Management of material topics	Page 25-29
<i>GRI 201: Economic Performance 2016</i>	201-1 Direct economic value generated and distributed	Page 25
<i>GRI 302: Energy 2016</i>	302-1 Energy consumption within the organization	Page 26
	302-4 Reduction of energy consumption	Page 26
<i>GRI 403: Occupational Health and Safety 2018</i>	403-1 Occupational health and safety management system	Page 27
	403-9 Work-related injuries	Page 27
<i>GRI 404: Training and Education 2016</i>	404-2 Programs for upgrading employee skills and transition assistance programs	Page 27
<i>GRI 405: Diversity and Equal Opportunity 2016</i>	405-1 Diversity of governance bodies and employees	Page 27
<i>GRI 417- Marketing and Labelling 2016</i>	417-2 Incidents of non-compliance concerning product and service information and labelling	Page 28
<i>GRI 418- Customer Privacy 2016</i>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 28

# CORPORATE INFORMATION

(As at 31 March 2024)

## Board of Directors

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**Edward Lee Ewe Ming**

*Executive Chairman/Non-Independent Director*

**Ong Ghim Choon**

*Chief Executive Officer/Non-Independent Director*

**Zhang Yanmin**

*Executive Director/Non-Independent Director*

**Mark Leong Kei Wei**

*Lead Independent Non-Executive Director*

**Oei Su Chi, Ian**

*Independent Non-Executive Director*

**Ong Siow Fong**

*Independent Non-Executive Director*

**Liu Yao**

*Independent Non-Executive Director*

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## Audit and Risk Committee

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**Mark Leong Kei Wei**

*Chairman*

**Oei Su Chi, Ian**

**Liu Yao**

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## Nominating Committee

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**Ong Siow Fong**

*Chairperson*

**Mark Leong Kei Wei**

**Oei Su Chi, Ian**

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## Remuneration Committee

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**Oei Su Chi, Ian**

*Chairman*

**Mark Leong Kei Wei**

**Ong Siow Fong**

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## Registered Office

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53 Ubi Crescent, Singapore 408594

T : (65) 6347 8911

F : (65) 6347 8903

W: [www.m-dr.com](http://www.m-dr.com)

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## Share Registrar

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**Boardroom Corporate & Advisory Services Pte Ltd**

1 Harbourfront Avenue

Keppel Bay Tower #14-07

Singapore 098632

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## Auditors

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**Ernst & Young LLP**

1 Raffles Quay #18-01

Singapore 048583

Partner-in-charge: Boon Heng Ng

*(Audit engagement partner since financial year ended 31 December 2021)*

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## Company Secretary

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**Madan Mohan**

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## Investor Relations

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[corporateaffairs@m-dr.com](mailto:corporateaffairs@m-dr.com)

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# CORPORATE GOVERNANCE

mDR Limited (the “Company”) is committed to maintain and observe high standards of corporate governance in accordance with the principles, provisions and guidelines set out in the Code of Corporate Governance 2018 (the “Code”). The Company’s corporate governance practices set out in this Report are with reference to the principles of the Code for the financial year ended 31 December 2023 (“FY2023”).

The Company has adhered to the principles and provisions of the Code. Where there are deviations from the provisions of the Code, the Company has provided reasons and explanation on the Company’s practices.

## BOARD MATTERS

### PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

The Board of Directors (the “Board”) is accountable to the shareholders while the Management is accountable to the Board. The Board provides leadership and guidance to the Management to steer the Group through its business strategy and corporate plans and ensures that the Group has the necessary financial and human resources for its long term-success.

#### Provision 1.1

##### Board’s Role and Responsibilities

The Directors discharge their duties and responsibilities as fiduciaries in the best interests of the Company. The Board sets the tone-from-the-top for the Group’s values and standards, conduct, ethics, organisational culture, and ensures that the Group’s obligations to shareholders and stakeholders are understood and met. The Board has put in place a code of conduct and business ethics, which applies to all employees of the Group. Directors declare their interest on an ongoing basis by sending a written notice to the Company setting out details of their interest. Board and Board Committee members recuse themselves from participating in any discussion and decision on the matter in which they may be conflicted.

#### Provision 1.2

##### Directors’ Orientation and Training

Directors understand the Group’s business as well as their directorship duties. New Directors are briefed by the Management and given materials to help them familiarise themselves with the Group’s business operations, policies, plans and objectives. Directors who have no prior experience as a Director of a listed company are required to attend the relevant training prescribed under the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company bears the cost of such training.

Directors attend relevant courses and training programmes appropriate for the discharge of their duties as directors from time to time. The Company funds the cost of the said courses and training programmes. Management periodically provides updates to Directors on issues relating to various business segments and changing commercial risks. Company Secretary also updates the Directors on the changes in relevant laws and regulations from time to time. The external auditors of the Company provide updates to the Directors on changes to accounting standards and issues which may have an impact on financial statements.

# CORPORATE GOVERNANCE

Some of the events and trainings attended by Director(s) for the financial year ended 31 December 2023 include the following:

- (a) Updates by Management on performance and business outlook relating to various business divisions
- (b) Updates by external auditor on changes in accounting standards
- (c) Climate Reporting Fundamentals for Listed Companies
- (d) ESG Regulatory Developments - Overview on the Current State of Play and Upcoming Trends (A&G)
- (e) Cybersecurity Risk & Corporate Governance for Listed Companies (R&T)
- (f) Processing Personal Data for Legitimate Interests (DDPC Academy)
- (g) Managing Cross Border Data Transfers (Law Society)
- (h) Strategic Tax Planning in a Complex Business Environment (SID)

## Provision 1.3

### Matters requiring Board approval

The Group has in place internal guidelines setting forth matters that require Board approval. The Group's Limit of Authority ("LOA") sets out various material transactions and threshold limits for Board approval in relation to, *inter alia*, capital expenditure, disposal/transfer of assets, purchase requisitions/orders, provisions/write-offs. The LOA is reviewed and revised periodically.

Material items that require Board approval include:

- (a) Group's strategic objectives, business direction and value creation;
- (b) Annual budget/forecasts;
- (c) Material financial/funding arrangements and provision of corporate guarantees;
- (d) LOA matrix, policies and procedures;
- (e) Investment and divestment matters, joint-ventures, acquisitions, disposals and other corporate actions;
- (f) Appointment and remuneration of Directors and senior management;
- (g) Financial results of the Group;
- (h) SGXNET announcements and press releases;
- (i) Bank facilities and mandates for authorized signatories delegated by the Board;
- (j) Interested Person Transactions ("IPTs");
- (k) Incorporation of any subsidiary; and
- (l) Dividend declaration.

## Provision 1.4

### Board Committees

To assist the Board in the execution of its duties and responsibilities, the Board has established three Board Committees (collectively the "Board Committees" or "Committees"):

- Audit and Risk Committee ("ARC");
- Nominating Committee ("NC"); and
- Remuneration Committee ("RC").

Each of the Committees operate within their respective written terms of reference and functional procedures. The Board may also constitute other *ad hoc* committees as and when necessary to oversee special matters. The names of the Committee members, the terms of reference, and a summary of each Committee's duties and responsibilities are set out in the respective sections concerning the Board Committees in this Report.

# CORPORATE GOVERNANCE

## Provisions 1.5 and 1.6

### Board and Board Committee meetings

Board and Board Committee meetings are scheduled in advance in consultation with the Directors. A Directors' Pack, comprising Board and Board Committee papers are distributed to Directors in advance, in order to allow Directors sufficient time to prepare for the meeting. In addition to scheduled meetings, the Board and Board Committees may also hold *ad hoc* meetings as and when required. The constitution of the Company (the "Constitution") allows Board meetings to be conducted by way of telephone, conference television or similar communication equipment or any other form of audio or audio-visual instantaneous communication. Board approvals may also be obtained through written resolutions by circulation. Board memoranda accompany Directors' written resolutions to provide explanatory information on the resolutions.

Chairman of the Board promotes a culture of openness and debate at the Board, ensures effective communication with shareholders, encourages constructive relations within the Board and between the Board and the Management, promotes high standards of corporate governance, sets the agenda and ensures that adequate time is available for discussion on all agenda items, in particular strategic issues.

The attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings are disclosed in this Report. Directors with multiple board representations ensure that sufficient time and attention is given to the affairs of the Company.

For financial year ended 31 December 2023, the Directors' attendances at Board, Board Committees and general meeting(s) are as follows:

<b>Name of Director</b>	<b>Board</b>	<b>ARC</b>	<b>NC</b>	<b>RC</b>	<b>General Meeting(s)</b>
Aggregate Number of meetings held in FY2023	6	4	2	2	1
	<b>Number of Meetings attended</b>				
Edward Lee Ewe Ming	6	4*	2*	1*	1
Ong Ghim Choon	6	4*	2*	1*	1
Zhang Yanmin	6	4*	2*	1*	1
Mark Leong Kei Wei	6	4	2	2	1
Oei Su Chi, Ian	6	4	2	2	1
Ong Siow Fong	6	4*	2	2	1
Liu Yao	6	4	2*	1*	1

(\*) Refers to meeting(s) attended by invitation of the Committee

Management recognises the importance of flow of complete, adequate information in a timely manner to the Board. Management provides regular briefings to Directors on commercial developments, business activities and strategic directions of the Group on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Senior management staff and/or Heads of various Business Divisions are invited periodically to attend Board meetings to provide industry-specific business plans and strategy updates, and to assist the Board in its deliberations.

# CORPORATE GOVERNANCE

Executive Directors and key Management staff are invited to attend the Board Committee meetings as necessary based on the nature of the agenda of the Board Committee meetings, to provide inputs and updates and/or responses to the Committee and contribute to the discussions in the meeting. For example, they attend the ARC meeting together with the external auditors of the Company, when the ARC discusses the financial results of the Group. It is the practice for the Chairman of the various committees to ask the Executive Directors and Management staff to excuse themselves from Committee meetings as necessary. The Board Committees' members, all of whom are Independent Directors, also meet separately without the presence of the Executive Directors and the Management for discussion on various matters of the Group.

## Provision 1.7

### Independent access and Company Secretary

Directors have separate and independent access to the Management and the Company Secretary. The Directors are provided with the phone numbers and e-mail addresses of the Company's senior management staff and Company Secretary to facilitate separate and independent access.

Should the Directors, whether as a group or individually, need independent professional advice, the Board may appoint a professional advisor selected by the group or individual, as the case may be, to render the advice. The cost of such professional advice will be borne by the Company.

The Company Secretary attends and prepares minutes of Board and Board Committee meetings. Under the direction of the Chairman, the Company Secretary ensures good information flow within the Board and the Board Committees and between Management and Non-Executive Directors. He helps to ensure that Board procedures are followed and relevant rules and regulations are complied with. The Company Secretary advises the Board on all governance matters, as well as facilitates orientation and assists with continuing professional development as required. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

## **PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE**

### Provision 2.1

#### Board independence

The Board has an appropriate level of independence and diversity of thought in its composition to enable it to make decisions in the best interests of the Company. As at the date of this Report, the Board comprises seven Directors, namely:

- (a) Edward Lee Ewe Ming;
- (b) Ong Ghim Choon;
- (c) Zhang Yanmin;
- (d) Mark Leong Kei Wei;
- (e) Oei Su Chi, Ian;
- (f) Ong Siow Fong; and
- (g) Liu Yao.

# CORPORATE GOVERNANCE

Of the seven Board members, four are independent Directors. A majority of the Board is comprised of independent and Non-Executive Directors. An “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the Company. The process of review of Directors’ independence is set out below ( under Principle 4). The NC and the Board upon a consideration of the existence of relationships or circumstances, as set out in the SGX-ST’s Listing Manual and the Code’s Practice Guidance (“**Practice Guidance**”), are satisfied that the “independent” Directors are independent.

The current members of the Board and their membership of the Board Committees are as follows:

Name of Director	Board	Non-Executive	Independent	ARC	NC	RC
Edward Lee Ewe Ming	Executive Chairman	-	-	-	-	-
Ong Ghim Choon	Chief Executive Officer	-	-	-	-	-
Zhang Yanmin	Executive Director	-	-	-	-	-
Mark Leong Kei Wei	Lead Independent Director	√	√	Chairman	Member	Member
Oei Su Chi, Ian	Director	√	√	Member	Member	Chairman
Ong Siow Fong	Director	√	√	-	Chairperson	Member
Liu Yao	Director	√	√	Member	-	-

## Provisions 2.2 and 2.3

### Independent and Non-Executive Directors

Currently, four of the seven Board members i.e. a majority of the Board comprises Independent and Non- Executive Directors.

## Provision 2.4

### Board Diversity

The Company has adopted a Board Diversity Policy which endorses the principle that Board and Board Committee members as a group should have an appropriate balance and diversity of skills, experience, gender and age, which fosters open and constructive debate and avoids groupthink.

In recognition of the importance and value of gender diversity in the Board’s composition, the Company’s Board Diversity Policy provides that the Board will at least have one female member.

Board and Board Committees have a mix of Directors who as a group provide an appropriate balance and diversity. The current Board and Board Committee members are of different age groups, tenure of service, and bring with them a broad range of expertise and experience and collectively provide core competencies in various fields such as, telecommunications, sales and marketing, investment, real estate, accounting and finance, legal, business and management, strategic planning, and experience necessary for effective governance. The qualifications and experience of the Board members are set out in the “Board of Directors” section of the Annual Report. The industry knowledge, skills, talents, experience and diversity of Company’s Board and Board Committee members serves the needs and plans of the Group’s various business segments and areas.

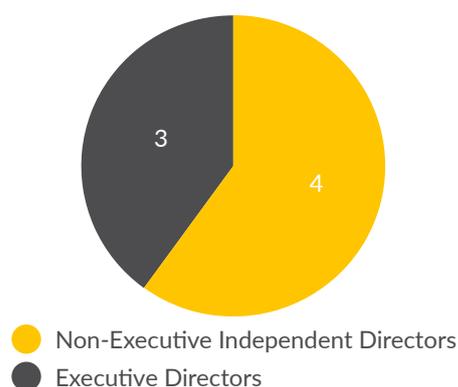
# CORPORATE GOVERNANCE

The Company has achieved its diversity targets in terms of gender (about 43% of Board comprises of female members), skills (directors have diverse experiences across various fields related to Group's businesses) and age (directors are of various age group distribution spanning three decades with standard deviation of 8 years), and the NC is satisfied that the objectives of the Board Diversity Policy continue to be met.

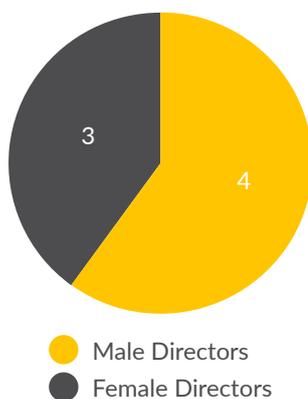
## Board members skill sets and Composition (As at 31 December 2023):

Business Management
Finance and Accounting
Investment
Legal
Real Estate
Risk Management
Sales and Marketing
Strategic Planning
Supply Chain Management and Logistics
Sustainability and Governance
Telecommunications

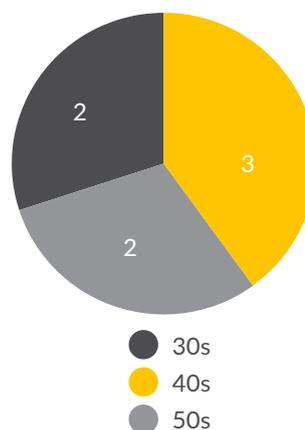
Board Independence



Board Gender Diversity



Directors' Age Group



### Provision 2.5

#### Regular meetings of Non-Executive Directors

Non-Executive Directors constructively challenge and help develop proposals on strategies of the Company and the Group, review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. To facilitate a more effective check on Management, Non-Executive Directors and/or Independent Directors, led by the Lead Independent Director meet regularly without the presence of Management. The Lead Independent Director provides feedback from such meetings to the Board and the Management from time to time.

# CORPORATE GOVERNANCE

## PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### Provisions 3.1 and 3.2

#### Chairman and CEO

The Board has adopted the recommendation of the Code to have separate persons appointed as Chairman and Chief Executive Officer (“CEO”). This is to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the CEO are not immediate family members. The Board applies the principle of clear division of responsibilities between the Board and the Management, and no individual has unfettered powers of decision-making.

### Provision 3.3

#### Lead Independent Director

In order to ensure good corporate governance practice and that there is no concentration of power and authority, the Company has appointed Mr Mark Leong Kei Wei as the Lead Independent Director. The Lead Independent Director provides leadership in situations where Chairman may be conflicted. Lead Independent Director is available to the shareholders where they may have concerns which cannot be resolved through the normal channels of the Chairman of the Board or the CEO, or where such contact is not possible or appropriate. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual exercising any considerable power or influence. Further, the ARC, NC and RC are chaired by Independent Directors.

## PRINCIPLE 4: BOARD MEMBERSHIP

### Provision 4.1 and 4.2

#### NC Membership and Key Terms of Reference

The NC currently comprises of the following three Directors:

<u>Director</u>	<u>Designation</u>
Ong Siow Fong	Chairperson
Mark Leong Kei Wei	Member
Oei Su Chi, Ian	Member

All the members of the NC, including the NC Chairperson, are Independent and Non-Executive Directors. The Lead Independent Director is a member of the NC.

The key terms of reference of the NC are:

- to review the structure, size and composition of the Board and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- to review whether or not a Director is independent, in accordance with the provisions of the Code and the Listing Manual;
- to identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- review the process and criteria for evaluation of the performance of the Board, Board Committees and Directors;
- review Board's, Board Committees' and Directors' performance;
- re-appointment of Director having regard to the Director's contribution or performance;

# CORPORATE GOVERNANCE

- (g) to consider the progressive renewal of the Board, as well as each Director's competencies, commitment, contribution and performance, when making recommendations to the Board on all relevant matters relating to the appointment and re-appointment of Directors;
- (h) review training and professional development programmes for the Board; and
- (i) make recommendations to the Board as regards plans for succession, in particular, of the Chairman and the CEO and key management personnel.

## Provision 4.3

### Appointment and Re-appointment of Directors

The NC is responsible for making recommendations to the Board on all Board appointments and re-appointments, including Board succession plans for Directors, in particular, the Chairman and the CEO, the need for progressive renewal of the Board, and in determining the independence of Directors. The Board upon consideration as a whole appoints new Directors, and members of the various Board Committees, after the NC has reviewed and nominated them for appointment. The NC evaluates potential new candidates as Directors based on their qualifications, expertise, and work experience, and taking into account diversity, independence, conflicts of interest and time commitments. Potential candidates for Board appointment may be proposed by the existing Directors, the Management or through third-party referrals.

Regulation 104(1) of the Constitution requires every Director to retire from office once every three years by rotation and for this purpose, at each annual general meeting ("AGM"), one-third of the Directors for the time being retire from office. This means that no Director can stay in office for more than three years, unless re-elected by the shareholders. A retiring Director is eligible for re-election by the shareholders at the AGM. In addition, Regulation 103(2) of the Constitution provides that any new Director appointed by the Board during the financial year without shareholders' approval be re-elected at the next AGM following the appointment.

The NC evaluates the performance of the Board and individual Directors for their re-appointment based on a set of guidelines. NC Chairperson monitors and assesses each Director's preparedness, contribution to the Board meetings, and the quality of interventions. The Directors' attendance at Board and Board Committee meetings form the other criteria for their re-appointment. Each member of the NC abstains from voting on any resolution, making any recommendation and participating in any deliberation of the NC in respect of the assessment of his own performance and re-nomination as a Director.

## Provision 4.4

### Review of Directors' Independence

The Board, through the NC reviews the independence of each Independent Director on an annual basis, and as and when required, taking into account the circumstances set forth in the Code. Directors disclose their relationship with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence.

As of the date of this Report, the Company does not have any Independent Director who has served for more than nine years from the date of his first appointment.

Based on the confirmation of independence provided by the Directors and taking into consideration the guidelines in the Code, the NC has determined that the current four Independent Directors (who represent a majority of the Board) are independent within the meaning of the Code, that there is a strong and independent element on the Board, and it is able to exercise objective judgement on all corporate affairs independently, in particular from Management, and that no individual or small group of individuals dominate the Board's decision-making process. Each NC and Board member recused himself from the NC's and the Board's deliberations in relation to his own independence.

# CORPORATE GOVERNANCE

## Provision 4.5

### Directors' Time Commitments

The NC has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. The NC and the Board have assessed each Director's external board representations, other principal commitments, their attendance and contributions and is of the view that sufficient time and attention has been given by the Directors in FY2023 to the affairs of the Company in the discharge of their duties.

As at the date of this Report, the Board does not have any alternate directors.

Key information in relation to Directors' listed company directorships and other principal commitments are set out below:

<b>Name of Director</b>	<b>Date of Appointment</b>	<b>Date of last Re-election</b>	<b>Directorships in other listed companies</b>	<b>Other principal commitments</b>
<b>Edward Lee Ewe Ming</b> <i>Executive Chairman</i>	11 May 2017	27 July 2022	-	Managing Director, Edward Lee Apartments Private Ltd
<b>Ong Ghim Choon</b> <i>CEO</i>	19 August 2009	27 July 2022	-	Director, Pacific Organisation Pte Ltd
<b>Zhang Yanmin</b> <i>Executive Director</i>	29 March 2018	28 April 2023	-	Advisor, Yann Investment Co., Ltd.
<b>Mark Leong Kei Wei</b> <i>Lead Independent Non-Executive Director</i>	15 May 2017	28 April 2023	<ul style="list-style-type: none"> <li>● CytoMed Therapeutics Ltd</li> <li>● HS Optimus Holdings Ltd</li> <li>● LMIRT Management Ltd</li> <li>● Osteopore Ltd</li> <li>● 9R Ltd</li> </ul>	<ul style="list-style-type: none"> <li>● Director, Avalon Partners Pte Ltd</li> <li>● Director, Aperion Agrocommodities Pte Ltd</li> </ul>
<b>Oei Su Chi, Ian</b> <i>Independent Non-Executive Director</i>	1 June 2017	27 July 2022	-	<ul style="list-style-type: none"> <li>● Legal Counsel, Guotai Junan International (Singapore) Pte. Limited</li> </ul>
<b>Ong Siow Fong</b> <i>Independent Non-Executive Director</i>	28 September 2020	30 April 2021	-	<ul style="list-style-type: none"> <li>● Managing Director, Amicus Capital Management Pte Ltd</li> <li>● Associate Senior Sales Director, SRI Pte Ltd</li> </ul>
<b>Liu Yao</b> <i>Independent Non- Executive Director</i>	28 September 2020	28 April 2023	-	-

# CORPORATE GOVERNANCE

## PRINCIPLE 5: BOARD PERFORMANCE

### Provisions 5.1 and 5.2

#### Assessment

The Board undertakes a formal assessment of its effectiveness as a whole, and that of its Board Committees and individual directors.

At the end of each financial year, the NC assesses the Board's performance as a whole, and the Board Committees' performance, as well as the contribution by the Board's Chairman and each individual Director to the Board. Board evaluation is conducted through a questionnaire dealing with various objective performance criteria and aspects, such as, Board composition, Board processes and procedures, information flow and accessibility, Management and Shareholders communication.

The NC evaluates each individual Director's performance through a separate questionnaire dealing with various aspects, such as, attendance at Board and Board Committee meetings, contribution to meetings, and communication.

The NC also determines whether to re-nominate Directors who are due for retirement at the next AGM, and whether Directors with multiple listed board representations and/or other principal commitments have been able to and have adequately discharged their duties as Directors of the Company.

The Board acts on the results of the performance evaluation, and in consultation with the NC, proposes, where appropriate, new members to be appointed to the Board or seek the resignation of existing Directors. No external facilitator was engaged for the Board evaluation process in FY2023.

Having reviewed the overall performance of the Board and the Board Committees, and the individual Director's performance, the NC is of the view that the performance of the Board, the Board Committees, and each individual Director in FY2023 has been satisfactory.

## REMUNERATION MATTERS

### PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

#### Provisions 6.1 and 6.2

##### RC Composition

The RC comprises of the following three Directors:

<u>Director</u>	<u>Designation</u>
Oei Su Chi, Ian	Chairman
Mark Leong Kei Wei	Member
Ong Siow Fong	Member

All the members of the RC, including the RC Chairman, are Independent and Non-Executive Directors.

# CORPORATE GOVERNANCE

The RC is mandated with the responsibility for developing policies on remuneration for Directors and key management personnel with a goal to motivate, recruit and retain such Directors and personnel, through competitive compensation and progressive policies. The RC makes recommendations to the Board on remuneration packages of individual Directors and key management personnel. Each member of the RC abstains from voting on any resolution, making any recommendation and participating in any deliberation in respect of his own remuneration.

## Provision 6.3

### RC Terms of Reference

The key terms of reference of the RC are:

- (a) determine and agree with the Board on the framework or broad policy for the remuneration of the Company's Board and key management personnel, and to determine specific remuneration packages for each Executive Director, the CEO and key management personnel;
- (b) determine targets for any performance related pay schemes adopted by the Company, taking into account pay and employment conditions within the industry and in comparable companies;
- (c) within the terms of the agreed policy, determine the total individual remuneration package of each Executive Director including, where appropriate, allowances, bonuses, benefits in kind, incentive payments and share schemes;
- (d) determine the policy for and scope of service agreements for the Executive Directors in the event of early termination including compensation commitments;
- (e) determine the remuneration of Non-Executive Directors, taking into factors such as efforts, time spent and the responsibilities;
- (f) ensure that the level and structure of the remuneration are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;
- (g) review the Company's obligations arising in the event of termination of the Executive Directors' or key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and
- (h) administer the mDR Share Plan 2018.

## Provision 6.4

### Access to advice on remuneration matters

The RC has access to the Company's Human Resources Department, and external consultants, if necessary, for expert advice on remuneration of Directors and key management personnel.

# CORPORATE GOVERNANCE

## PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

### Provisions 7.1 and 7.3

#### Performance-related remuneration

The RC decides on the specific remuneration packages for the Directors, CEO and key management personnel, with a view to attract, retain and motivate the Directors to provide good stewardship of the Company and for the key management personnel to successfully manage the Company for its long-term success. The level and structure of remuneration is linked to the strategic objectives of the Company and are proportionate to the long-term sustainability of the Group and value creation.

The remuneration policy for Executive Directors and key management personnel comprises fixed and variable components. The fixed component includes salary, employer's central provident fund ("CPF") contributions (where applicable), and other benefits. The variable component comprises annual wage supplement ("AWS"), performance bonus and/or share award, which is linked to Group's performance, value creation, and individual performance.

The Remuneration Committee assesses the performance of the Executive Directors and key management personnel, based on a holistic approach, comprising both financial and non-financial indicators that promote commitment, performance and loyalty to the Group. The Group's remuneration system takes into consideration, annual budgetary targets and financial performance that include, Company's growth, revenue, profits, return on total assets, cost-savings, the individual's performance, industry practices, and non-financial targets.

The remuneration of the Directors and key management personnel for the financial year ended 31 December 2023 is disclosed in Principle 8 below.

The Company's share award scheme known as mDR Share Plan 2018 is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance to promote the long-term sustainability of the Group.

The Non-Executive Directors are paid Director's fees that are appropriate to their level of contribution, taking into account factors such as frequency of meetings, efforts and time spent, and their responsibilities. The aggregate fees payable to the Non-Executive Directors are subject to the approval of the shareholders at the annual general meeting of the Company.

Non-Executive Directors are encouraged to hold shares in the Company so as to better align the interests of such Directors with the interests of shareholders. Company's internal policy prevents Non-Executive Directors from selling Company's shares prior to leaving the Company.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company.

There is no existing or proposed service contract entered into, or to be entered into, by any Director with the Company or any of the Company's subsidiaries, which provides for benefits upon termination, retirement or post-employment.

# CORPORATE GOVERNANCE

## Provision 7.2

### Remuneration of Non-Executive Directors

The Non-Executive Directors are paid a basic Director's fee. The RC recommends to the Board, Non- Executive Directors' fees that are appropriate to their level of contribution, taking into account factors such as frequency of meetings, effort and time spent, and their responsibilities. The aggregate fees payable to the Non-Executive Directors are subject to the approval of the shareholders at the AGM of the Company.

## PRINCIPLE 8: DISCLOSURE ON REMUNERATION

### Provisions 8.1, 8.2 and 8.3

#### Directors and key management personnel remuneration

### Remuneration of Directors

The remuneration of the Directors for the financial year ended 31 December 2023 is as follows:

**TABLE A**

<b>Name</b>	<b>Director's Fees</b>	<b>Salary</b>	<b>Bonus<sup>(1)</sup></b>	<b>Other Benefits<sup>(2)</sup></b>	<b>Total</b>
<b><u>Executive Directors</u></b>					
Edward Lee Ewe Ming	-	1,032,444	345,100	120,600	1,498,144
Ong Ghim Choon	-	685,616	229,350	84,600	999,566
Zhang Yanmin	-	684,444	229,100	83,400	996,944
<b><u>Non-Executive Directors</u></b>					
Mark Leong Kei Wei	63,500	-	-	-	63,500
Oei Su Chi, Ian	59,500	-	-	-	59,500
Ong Siow Fong	24,000	-	-	-	24,000
Liu Yao	24,000	-	-	-	24,000

(1) Includes AWS and variable bonus.

(2) Includes allowance and car benefits (where applicable).

# CORPORATE GOVERNANCE

## Remuneration of Key Management Personnel

The remuneration of the Group's key management personnel (who are not the Directors or the CEO)<sup>(1)</sup> for the financial year ended 31 December 2023 is as follows:

**TABLE B**

<b>Remuneration Band &amp; Name</b>	<b>Salary (%)</b>	<b>Bonus<sup>(2)</sup> (%)</b>	<b>Other Benefits<sup>(3)</sup> (%)</b>	<b>Total (%)</b>
<u>S\$250,000-S\$500,000</u>				
Yip Li San	87.65	12.12	0.23	100
Cindy Tham Yen Yi	80.15	7.68	12.17	100
<u>Below S\$250,000</u>				
Ong Ghim Chwee	76.28	6.76	16.96	100
Alexander Lim Jit Huang	66.26	23.58	10.16	100

(1) The Group had only four key management personnel (who are not Directors or the CEO) in FY2023.

(2) Includes AWS and variable bonus.

(3) Includes allowance and car benefits (where applicable).

The total remuneration paid to the key management personnel (who are not the Directors or the CEO) in FY2023 is S\$936,217.

## Remuneration of employees who are immediate family member of a Director or CEO

The remuneration of Mr Ong Ghim Chwee, the brother of the Company's CEO Mr Ong Ghim Choon, is in the band of S\$100,000 to S\$200,000 during FY2023 (remuneration components disclosed in Table B above). Save as disclosed, there are no other employees who are immediate family members of a Director and whose remuneration exceeds S\$100,000.

## mDR Share Plan 2018

Shareholders of the Company approved the share award scheme known as mDR Share Plan 2018 on 28 September 2018. Under the mDR Share Plan 2018, the Company will deliver shares granted under an award by issuing new shares and/or transferring treasury shares free of charge, upon the participant satisfying such conditions as specified by the committee administering the mDR Share Plan. The RC administers the mDR Share Plan 2018. Names of the members of the RC administering the mDR Share Plan 2018 are:

- (a) Mr Oei Su Chi, Ian
- (b) Mr Mark Leong Kei Wei; and
- (c) Ms June Ong

No share award has been granted to any participant as at 31 December 2023.

# CORPORATE GOVERNANCE

## PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

### Provision 9.1

#### Significant Risks and Board Risk Committee

The ARC oversees the Company's risk management framework and policies, with the assistance of the internal audit division ("IA Division").

The ARC's terms of reference includes governance of risk management and internal controls related matters as follows:

- (a) determine the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation;
- (b) evaluation of the Company's and Group's internal control system;
- (c) review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology ("IT") controls) and risk management systems; and
- (d) review the assurance from the CEO and the CFO on the financial records and financial statements.

#### Risk Management Policies and Internal Controls

The Group has adopted an Enterprise Risk Management ("ERM") Framework to identify, monitor and control the risks. As part of ERM, the Group maintains a Risk Register, which: (a) identifies the risk areas that may be relevant to the Group; (b) assesses the extent of impact to, and vulnerability of, the Group should such risks materialise; and (c) establishes mitigating practices to be implemented to address such risks. With inputs from the Management, the Risk Register is updated periodically by the IA Division. The nature and exposure of various risks and the adequacy of existing controls in addressing these risks are highlighted to the ARC and the Board. The Management and the Board deliberate on the introduction of new policies and processes, and refinement of the existing policies and processes, to manage the risks which are highlighted.

The IA Division conducts periodic independent audits to test the adequacy and effectiveness of the Company's risk management and internal controls in managing the risks of the Group including financial, operational, compliance and IT controls. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the IA Division are reported to and reviewed by the ARC and the Board. Steps are taken to implement the corrective measures recommended by the IA Division.

The Group maintains adequate and effective internal control and risk management systems that are intended to safeguard, verify and maintain its assets and proper accounting with a clear operating structure based on its delegation of authority and reporting structures, codes of conduct and other documented procedures in place. These internal controls include financial reporting, operational and compliance controls, management accounting, IT systems security and project appraisal policies and systems established by the Management. Management reviews the Group's internal processes, business and operational activities regularly to identify areas of significant financial, business, operational, IT and compliance risks as well as measures to control these risks. Management also reviews internal control policies and highlights all significant matters to the ARC and the Board.

The Group's LOA sets out threshold limits for matters that specifically require the Board's approval and signature requirements. The Group reviews its internal control and risk management systems periodically to ensure that there are sufficient guidelines and procedures in place to monitor its operations. The system of internal controls are intended to provide reasonable but not absolute assurance that the Company will not be adversely affected by any event that could be reasonably foreseen.

Based on the internal controls and risk management systems established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2023.

# CORPORATE GOVERNANCE

## Provision 9.2

### Management assurance

The Board has received assurance from:

- (a) the CEO and the Chief Financial Officer (“CFO”) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group’s operations and finances; and
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Group’s risk management and internal control systems.

## **PRINCIPLE 10: AUDIT COMMITTEE**

### Provisions 10.1, 10.2 and 10.3

#### ARC Composition and Role

The ARC comprises of the following three Directors:

<u>Director</u>	<u>Designation</u>
Mark Leong Kei Wei	Chairman
Oei Su Chi, Ian	Member
Liu Yao	Member

All the members of the ARC, including the ARC Chairman, are Independent and Non-Executive Directors. The ARC Chairman has recent and relevant accounting and related financial management expertise and experience. The Board is satisfied that the ARC members collectively have the relevant financial management knowledge to discharge their duties. The ARC does not comprise of any former partner or director of Company’s existing external audit firm.

The ARC’s principal responsibilities are to:

- (a) review the annual audit plan of the Company’s external auditors;
- (b) review the nature and extent of non-audit services provided by the external auditors;
- (c) review the independence and objectivity of the external auditors, the nomination/re-appointment/removal of external auditors and their remuneration and terms of engagement;
- (d) review IPTs and Related Party Disclosures;
- (e) review the Company’s financial results and the consolidated financial statements of the Group, before their submission to the Board for approval;
- (f) review the assurance from the CEO and the CFO on the financial records and financial statements;
- (g) review the adequacy, effectiveness, independence, scope and results of the external audit and the Company’s internal audit function; and
- (h) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up, including the review of Whistle-Blowing Policy and procedures for raising any concerns.

The ARC is explicitly authorised by the Board to investigate any matter within its terms of reference. For such purpose, the ARC has full access to and co-operation of the Management, full discretion to invite any Director and employee to attend its meetings, and reasonable resources to enable it to discharge its functions properly. Each member of the ARC abstains from voting on any resolution, making any recommendation and participating in any deliberation in respect of matters in which he may be interested.

# CORPORATE GOVERNANCE

## Whistle-blowing Policy

The Company has adopted a whistle-blowing policy pursuant to which employees, suppliers, customers and other stakeholders of the Company and its subsidiaries may in confidence, raise concerns about possible improprieties in financial or other matters of the Group or any misconduct or wrongdoing relating to the Group and its employees/officers. The whistle-blowing policy is administered by the ARC and the ARC is responsible for the oversight and monitoring of whistle-blowing. A complainant may choose to report whistle-blowing complaint either to the IA or to the ARC directly, both of which are independent functions. Whistle-blowing complaints, if any, are reviewed by the IA/ARC and any concern raised are independently investigated in good faith. Where the ARC deems fit, the Company will engage a third party to conduct investigation with the expense borne by the Group. The ARC ensures that the identity of the whistle-blower is kept confidential and the complainant does not suffer any reprisal and/or detrimental or unfair treatment. Company's whistle-blowing policy allows anonymous reporting. In FY2023, there were zero incident of whistle-blowing reported to the IA/ARC.

## Financial Reporting Matters

Changes to accounting standards and accounting issues which may have impact on the financial statements are reported by the external auditors to the ARC from time to time in their meetings with the ARC.

In the review of the financial statements for FY2023, the ARC has discussed with the Management the significant accounting principles that were applied and their judgement of items that might affect the accuracy and completeness of the financial statements.

The key audit matters, which are included in the independent auditors' report for FY2023, were discussed with the Management and the external auditors and were reviewed by the ARC.

Minutes of ARC meetings are available to all Directors for information and review.

The ARC has reviewed the independence and objectivity of the Company's external auditor Ernst & Young LLP ("EY"), and has satisfied itself of EY's position as an independent external auditor.

## Non-audit fees

The Company had engaged EY to provide tax advisory services in FY2023. The total fee payable to EY for the aforesaid tax advisory services was S\$32,000. Save as disclosed herein, there were no other non-audit services rendered by EY to the Company in FY2023. The ARC has undertaken a review of all non-audit services provided by EY and they would not, in the ARC's opinion, affect the independence of the external auditors.

## Audit Firms

The Company has complied with Rule 712 and 716 of the Listing Manual in relation to audit firms. The Company's Board and ARC are satisfied that the appointment of different audit firms for its foreign incorporated subsidiaries and associated companies would not compromise the standard and effectiveness of the audit of the Company.

# CORPORATE GOVERNANCE

## Provision 10.4

### Internal Audit

The Company has established an internal audit function that is independent of the activities it audits. In FY2023, the internal audit functions of the Group have been performed by its in-house internal audit function. The ARC is of the view that the IA has the qualifications and experience to perform the internal audit functions of the Group. Company's IA meets The Institute of Internal Auditors (IIA) standards. The ARC approves the hiring, removal, evaluation and remuneration of the IA.

The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC, and has appropriate standing within the Company. The primary reporting line of the IA is to the ARC. Reports prepared by the IA are reviewed by the ARC.

The ARC reviews and approves the annual internal audit plans to ensure that the IA has the capability to adequately perform its functions. The IA periodically reviews the adequacy of and compliance by various business divisions, of Group's policies, procedures and internal controls, which have been effected to manage risks and safeguard the Group's assets. The IA also provides a communication channel between the Board, the Management and the external auditors on audit related matters.

The ARC, at least annually, reviews the effectiveness of the Company's internal audit function. The ARC is of the view that the internal audit function is independent, effective and adequately resourced.

## Provision 10.5

### Meetings with Auditors

The ARC meets with the external auditors and with the internal auditor, at least once a year without the presence of Management.

## SHAREHOLDERS RIGHTS AND ENGAGEMENT

### PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

#### Provisions 11.1 and 11.2

##### Shareholders' participation

The Board ensures that all shareholders are treated fairly and equitably. The Board presents a balanced and understandable assessment of the Company's performance, position and prospects. The Company through SGXNET, its corporate website, press release and annual report, timely and regularly announces all material developments of the Group, which would likely affect the price, or value of the Company's shares. The Board reviews the Company's financial results and performs a review and discussion of the results before its final approval and release. Financial results and other price-sensitive information are communicated to the shareholders through announcements released via SGXNET and the Company's website. The Board takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Listing Manual of the SGX-ST. Management provides all members of the Board with management accounts and such explanation and information on monthly basis and as the Board may require from time to time, to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

# CORPORATE GOVERNANCE

The Company encourages shareholders' participation at general meetings. Information on general meeting is disseminated through notice in the circular or annual report sent to all shareholders together with explanatory notes (if necessary), at least 14 days or 21 days (as the case may be), before the meeting. The notice is also released via SGXNET, as well as posted on the Company's website. Shareholders are informed of the rules, including voting procedures that govern general meetings, during such meeting. In the event a shareholder is not able to attend a general meeting personally, proxy form is enclosed together with the notice of meeting, so that such shareholder can appoint up to two proxies to attend, vote and voice any question, for and on behalf of the shareholder, relating to the resolutions to be tabled in such meeting. All shareholders are encouraged to attend the AGM and other general meetings to proactively engage with the Board and the Management on the Group's business activities, financial performance and other business related matters. At AGM and other general meetings, shareholders are given equal opportunity to share their views and ask Directors and Management questions regarding the activities and performance of the Company and the Group.

## Resolutions

Resolutions on substantially separate issues are "unbundled" as separate items at general meetings. For greater transparency and fairness in the voting process, all resolutions are passed by electronic poll. An external firm, which is independent of the entity appointed to undertake the electronic poll voting process, is appointed as scrutineers for the voting process at general meeting. The voting results of all votes cast for and against each resolution and the respective percentages is screened at the meeting, announced after the meeting via SGXNET, and also posted on the Company's website.

## Provision 11.3

### Directors' and External auditors' attendance

All members of the Board, in particular, the Chairman of the Board and the respective Chairman of the Board Committees and senior management are in attendance at the AGM and other general meetings to assist the Directors in addressing any relevant queries by shareholders. The external auditors are also present at the AGM to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings in FY2023 is disclosed in this Report (under Principle 1).

## Provision 11.4

### Absentia Voting

Regulation 92 of the Constitution allows for shareholders to vote in absentia at the general meetings. The Company has currently not implemented absentia voting. Such voting methods may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders is not compromised.

The Constitution allows a shareholder to appoint one or two proxies to attend and vote in his place at general meetings. The Company allows nominee companies which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

# CORPORATE GOVERNANCE

## Provision 11.5

### Minutes of General Meetings

The Company records minutes of general meetings and publishes the minutes on its corporate website and SGXNET as soon as practicable. The minutes include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and other subject matters, and responses from the Board and the Management.

## Provision 11.6

### Dividend Policy

Company believes that dividend payments are the ultimate tangible evidence of earnings growth, profitability and good corporate governance. The payment and level of final dividend is determined by the Board and approved by the shareholders at the AGM. In determining the amount of dividends to be distributed for each financial year, the Board takes into account the financial and operating needs of the Group.

## PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

## Provision 12.1

### Avenues for communication

The Board believes in maintaining regular communication with shareholders to gather their views and to address shareholders' concerns, if any. The Board engages with the shareholders in the AGM and other general meetings. Chairman of the Board also engages in periodic dialogue with shareholders from time to time. The Company commenced earnings conference calls with shareholders/analysts/media to discuss its financial results since March 2019, which provides an additional avenue to shareholders to share their views on Group's business and performance with the Management.

## Provisions 12.2 and 12.3

### Investor Relations

The Company's investor relations policy allows for an ongoing exchange of views with shareholders. Company's website has a dedicated investor relations page, which provides guidance on ways for shareholders to contact the Company and/or the Lead Independent Director for any questions. Shareholder's communication received by the Investor Relations team by email are promptly addressed at the latest within a week in consultation with the Management and/or the Board.

# CORPORATE GOVERNANCE

## MANAGING STAKEHOLDER RELATIONSHIPS

### PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

#### Provisions 13.1 and 13.2

##### Material Stakeholders

The Board has identified key stakeholder groups, that include shareholders, suppliers, customers and employees. Board guides the Management in the Company's strategy and approach in addressing the concerns of its key stakeholder groups.

The Company's approach to stakeholders' engagement and materiality assessment and key areas of focus in relation to the management of stakeholder relationships during FY2023 are set out under the "Sustainability Report" section of this Annual Report.

#### Provision 13.3

##### Corporate Website

The Company's corporate website [www.m-dr.com](http://www.m-dr.com) is updated regularly to keep shareholders and other stakeholders aware of the developments relating to the Company and Company's affairs. The Company is committed to maintaining high standards of corporate disclosure and transparency. The Company does not practise selective disclosure of material information. Material information is publicly released promptly through SGXNET and Company's corporate website. The financial results and annual reports are announced or issued within the mandatory period on SGXNET (unless extension of time is granted by SGX-ST and the Accounting and Corporate Regulatory Authority) and are also made available on the Company's website.

## ADDITIONAL INFORMATION

### Best practices guide and dealings in securities

The Company has adopted a Best Practices Guide pursuant to SGX-ST Listing Manual guidelines and made it applicable to its Directors and key employees in relation to their dealings in the Company's securities.

In compliance with the best practices in Rule 1207(19) of the Listing Manual of the SGX-ST, the Company issues reminders to all directors, officers and employees of the Group on the restrictions in dealings in securities of the Company during the period commencing one month before the announcement of the Group's half-year and full-year financial statements, and ending on the date of such announcements.

Apart from the foregoing, Directors, officers and employees of the Group are also reminded not to trade in securities of the Company at any time while in possession of unpublished price or trade sensitive information and to refrain from dealing in the Company's securities on short-term considerations. Company's internal policy requires Board approval for trading of Company's shares by Directors.

# CORPORATE GOVERNANCE

## **IPTs and related party transactions policy**

The Company has adopted an internal policy where all IPTs and related party transactions are documented and submitted quarterly (during each quarterly ARC meeting) to the ARC for its review to ensure that such transactions are conducted fairly and on arm's length basis, on normal commercial terms and are not prejudicial to the Company and its minority shareholders.

Board members recuse themselves from participating in any discussion and decision on any matter in which they may be conflicted. In the event that a member of the ARC is deemed to have an interest in an interested person or related party transaction, he is required to abstain from reviewing that particular transaction.

The IPTs for FY2023 are set out in this Report.

## **Material contracts**

Save as disclosed below and in the Directors' report and financial statements, there were no material contract entered into by the Group involving the interests of the CEO, any Director or controlling shareholder, during the financial year ended 31 December 2023:-

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<b>Pacific Organisation Pte. Ltd</b>	Leasing of premises	S\$373,000 (aggregate value for FY2023)
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Mr Ong Ghim Choon (Director and CEO of the Company) and his associate own the shares of Pacific Organisation Pte Ltd.

## **Conclusion**

The mDR Group recognises the importance of good corporate governance practices. The Group will continue to review and improve its corporate governance practices on an ongoing basis.

# FINANCIAL CONTENTS



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<b>058</b>	Directors' Statement
<b>063</b>	Independent Auditor's Report
<b>068</b>	Consolidated Statement of Comprehensive Income
<b>070</b>	Statements of Financial Position
<b>072</b>	Statements of Changes in Equity
<b>076</b>	Consolidated Statement of Cash Flows
<b>078</b>	Notes to the Financial Statements

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# DIRECTORS' STATEMENT

The Directors present their statement to the members together with the audited consolidated financial statements of mDR Limited (the "Company") and its subsidiaries (collectively, the "Group") and the financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

## OPINION OF THE DIRECTORS

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due. The Directors are of the view that the Group will be able to generate sufficient cash flows from operations and draw on unutilised banking facilities for its working capital requirements in the next twelve months.

## 1. DIRECTORS

The Directors of the Company in office at the date of this statement are:

Edward Lee Ewe Ming  
Ong Ghim Choon  
Zhang Yanmin  
Mark Leong Kei Wei  
Oei Su Chi, Ian  
Ong Siow Fong  
Liu Yao

## 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

# DIRECTORS' STATEMENT

## 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Companies Act 1967, interests in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of Director	Held in the name of the director			Deemed interest		
	At the beginning of financial year	At the end of financial year	At 21 January 2024	At the beginning of financial year	At the end of financial year	At 21 January 2024
<i>Ordinary shares of the Company</i>						
Edward Lee Ewe Ming <sup>(1)</sup>	1	1	1	398,374,143	398,374,143	398,374,143
Zhang Yanmin <sup>(2)</sup>	-	-	-	216,634,196	216,634,196	216,634,196
Ong Ghim Choon	59,339,200	59,339,200	59,339,200	-	-	-
Oei Su Chi, Ian	2,336,042	2,670,042	2,670,042	470,000	470,000	470,000
Mark Leong Kei Wei	1,150,000	1,557,400	1,557,400	715,000	-	-
Ong Siow Fong	160,000	2,185,500	2,185,500	-	-	-
Liu Yao	-	437,000	437,000	-	-	-

(1) Mr Edward Lee Ewe Ming is deemed interested in 398,374,143 shares held via nominee and financial institutions, out of which 216,634,196 shares are held jointly with his spouse, Ms Zhang Yanmin.

(2) Ms Zhang Yanmin is deemed interested in 216,634,196 shares held via nominee and financial institutions, which are jointly held with her spouse, Mr Edward Lee Ewe Ming.

By virtue of Section 7 of the Companies Act 1967, Mr Edward Lee Ewe Ming and Ms Zhang Yanmin are deemed to have an interest in the Company and in all the related corporations of the Company.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

# DIRECTORS' STATEMENT

## 4. SHARE OPTIONS

a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

c) *Unissued shares under options*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

## 5. SHARE AWARD

a) At the Extraordinary General Meeting held on 28 September 2018, the shareholders approved the share award scheme known as mDR Share Plan 2018.

b) The “mDR Share Plan 2018”

Under the mDR Share Plan 2018, the Company will deliver shares granted under an award by issuing new shares and/or transferring treasury shares free of charge, upon the participant satisfying such conditions as specified by the Committee administering the mDR Share Plan.

The share award scheme is administered by the Remuneration Committee, comprising the following:

Oei Su Chi, Ian (Chairman of the Remuneration Committee)  
Mark Leong Kei Wei  
Ong Siow Fong

As at 31 December 2022 and 2023, no share award had been granted.

# DIRECTORS' STATEMENT

## 6. AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee ("Audit Committee"), comprising all non-executive Directors, at the date of this Statement are:

Mark Leong Kei Wei (Chairman of the Audit Committee)

Oei Su Chi, Ian

Liu Yao

The Audit Committee has met four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive Directors and external and internal auditors of the Company:

- a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- b) the Group's financial and operating results and accounting policies;
- c) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and external auditors' report on those financial statements;
- d) half-yearly and annual announcements as well as the related press releases on the results and the financial position of the Company and the Group;
- e) the co-operation and assistance given by the management to the Group's external auditors; and
- f) the re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

# DIRECTORS' STATEMENT

## 7. AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Edward Lee Ewe Ming

Ong Ghim Choon

Singapore  
28 March 2024

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of mDR Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2023, the consolidated statements of comprehensive income and consolidated cash flow statement of the Group and the statements of changes in equity of the Group and the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the period ended on that date.

### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of matter*

We draw attention to Note 42 to the financial statements which discloses the on-going investigation by the Commercial Affairs Department in respect of the suspected misappropriation of assets identified in prior financial year. Our opinion is not modified in respect of this matter.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

## *Key Audit Matters (cont'd)*

### ***Assessment of expected credit losses on investment in debt securities***

As at 31 December 2023, the Group's debt securities amounted to \$24,323,000 which represents 13% of the Group's total assets as at year end. The debt securities mainly comprise of quoted bonds securities which the Group has measured at fair value through other comprehensive income.

The Group measures expected credit losses ("ECLs") in accordance with SFRS(I) 9 *Financial Instruments* based on lifetime expected losses for debt securities which credit risk has increased significantly since initial recognition, and 12 month expected credit losses for debts securities which credit risk has not increased significant since initial recognition.

The key assumptions used in the ECLs include the risk of default of the bond issuers and the expected credit losses. A considerable amount of judgment is required in deriving these key inputs which includes reviewing the financial position of the bond issuers, the existing market conditions as well as considering forward-looking economic information. Accordingly, we identified this as a key audit matter.

As part of our audit, we tested the reasonableness of the key inputs and assumptions used by the Group in the ECLs assessment which is largely dependent on the Group's evaluation of credit risk of the bond issuers. We reviewed the process and tested the key parameters relating to the credit risk of the bond issuers by considering the historical credit losses, the credit ratings of the bonds, and the coupon received during the year to gauge the increase credit risk of the bonds, if any. We have engaged our internal valuation specialist to assist us in evaluating the appropriateness of the impairment models and the reasonableness of the key assumptions used by the management in their impairment model for debts securities measured at fair value through other comprehensive income. We have also tested the forward-looking economic factors used in ECL assessment by analysing the GDP forecast of the countries in which the bonds issuers are operating in. We checked the arithmetic accuracy of the allowance computed. The related disclosures are made in Note 20 to the financial statements.

### ***Existence of inventories***

As of 31 December 2023, the Group's total inventories amounted to \$25,892,000. The Group's inventories mainly comprise of spare parts, handsets, prepaid cards and phone accessories. We focused on the existence of inventories as their total carrying amounts are material to the financial statements and there is a higher inherent risk of theft and pilferage.

As part of our audit, we obtained an understanding of the Group's processes and controls relating to the physical safeguards over inventories and inventories movement. We attended and observed management's cycle counts and year-end inventory counts at selected outlets, headquarters and warehouses. We counted the inventories and traced the test results to management's records on a sample basis. We performed cut off testing on inventory movement at year end and subsequent to year end. We also performed year-on-year analysis on inventories by categories by considering against our understanding of the business operations during the year. The Group's disclosures relating to inventories are made in Note 16 to the financial statements.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

## Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2023

## Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore  
28 March 2024

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
<b>Continuing operations</b>			
Revenue	4	203,842	168,561
Interest income	4	11,761	6,919
Cost of sales	5	(183,045)	(147,959)
Gross profit		32,558	27,521
Other operating income	6	4,332	3,066
Administrative expenses		(17,600)	(17,815)
Other operating expenses	7	(2,514)	(4,387)
Gain arising from derecognition of financial assets	6	151	501
(Impairment loss)/reversal of impairment loss on financial assets	7	(55,868)	1,783
Share of (loss)/profit of an associate		(2)	4
Finance costs	8	(3,035)	(1,409)
(Loss)/profit before income tax	9	(41,978)	9,264
Income tax expense	10	(498)	(80)
(Loss)/profit for the year from continuing operations		(42,476)	9,184
<b>Discontinued operations</b>			
Loss for the year from discontinued operations	11	-	(1,959)
(Loss)/profit for the year		(42,476)	7,225
<b>Other comprehensive loss</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net fair value changes in equity and debt securities carried at fair value through other comprehensive income		(7,237)	(11,036)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation		(404)	(357)
<b>Other comprehensive loss for the year, net of tax</b>		(7,641)	(11,393)
<b>Total comprehensive loss for the year</b>		(50,117)	(4,168)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		(42,466)	7,258
Non-controlling interests		(10)	(33)
		(42,476)	7,225
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(50,107)	(4,135)
Non-controlling interests		(10)	(33)
		(50,117)	(4,168)
<b>Earnings per share (cents):</b>			
From continuing operations:			
- Basic	12a	(4.855)	1.052
- Diluted	12a	(4.855)	1.052
From continuing and discontinued operations:			
- Basic	12b	(4.855)	0.829
- Diluted	12b	(4.855)	0.829

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	13	14,906	12,768	2,936	1,872
Trade receivables	14	11,783	16,023	2,039	5,315
Other receivables and prepayments	15	1,642	2,387	9,800	12,596
Inventories	16	25,892	18,142	971	748
Investment in debt securities	20	12,654	13,027	12,654	13,027
Income tax recoverable		110	236	-	-
		<b>66,987</b>	<b>62,583</b>	<b>28,400</b>	<b>33,558</b>
<b>Non-current assets</b>					
Other receivables and prepayments	15	969	867	177	50
Investment in subsidiaries	17	-	-	3,328	3,328
Investment in an associate	18	29	32	-	-
Investment in equity securities	19	81,678	101,032	81,678	101,032
Investment in debt securities	20	11,669	52,669	11,669	52,669
Property, plant and equipment	21	1,515	1,751	527	731
Right-of-use assets	22	7,511	4,488	1,044	501
Investment property	23	7,321	7,763	-	-
Convertible loan	24	-	2,891	-	2,891
Derivative assets	19	-	64	-	64
		<b>110,692</b>	<b>171,557</b>	<b>98,423</b>	<b>161,266</b>
<b>Total assets</b>		<b>177,679</b>	<b>234,140</b>	<b>126,823</b>	<b>194,824</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdrafts and loans	25	47,859	58,504	41,970	55,678
Trade payables	26	14,185	6,694	1,435	1,566
Other payables	27	8,541	8,667	5,123	4,288
Lease liabilities	28	3,621	3,565	684	510
Lease liabilities from financial institutions	28	18	81	18	76
		<b>74,224</b>	<b>77,511</b>	<b>49,230</b>	<b>62,118</b>
<b>Non-current liabilities</b>					
Bank loans	25	1,086	2,358	1,086	2,358
Other payables	27	69	314	-	-
Lease liabilities	28	4,498	1,806	425	24
Lease liabilities from financial institutions	28	-	12	-	12
Deferred tax liabilities	29	701	421	270	-
		<b>6,354</b>	<b>4,911</b>	<b>1,781</b>	<b>2,394</b>
<b>Total liabilities</b>		<b>80,578</b>	<b>82,422</b>	<b>51,011</b>	<b>64,512</b>
<b>NET ASSETS</b>		<b>97,101</b>	<b>151,718</b>	<b>75,812</b>	<b>130,312</b>

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
<b>Equity attributable to owners of the Company</b>					
Share capital	30	123,276	123,276	123,276	123,276
Treasury shares	31	(3,086)	(2,836)	(3,086)	(2,836)
Other reserves	32	(16,983)	(6,917)	(16,980)	(7,318)
(Accumulated losses)/ Retained earnings		(6,583)	37,708	(27,398)	17,190
Equity attributable to owners of the company		96,624	151,231	75,812	130,312
Non-controlling interests		477	487	-	-
<b>Total equity</b>		<b>97,101</b>	<b>151,718</b>	<b>75,812</b>	<b>130,312</b>
<b>Total liabilities and equity</b>		<b>177,679</b>	<b>234,140</b>	<b>126,823</b>	<b>194,824</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group	Share capital \$'000 (Note 30)	Treasury shares \$'000 (Note 31)	Capital reserve \$'000 (Note 32)	Premium on acquisition of non-controlling interest \$'000 (Note 32)	Investment revaluation reserve \$'000 (Note 32)	Property revaluation reserve \$'000 (Note 32)	Foreign currency translation reserve \$'000 (Note 32)	Retained earnings \$'000	Attributable to equity holders of the company \$'000	Non-controlling interests \$'000	Total \$'000
Balance at 1 January 2023	123,276	(2,836)	22	(881)	(7,351)	1,696	(403)	37,708	151,231	487	151,718
<b>Total comprehensive loss for the year:</b>											
Loss for the year	-	-	-	-	-	-	-	(42,466)	(42,466)	(10)	(42,476)
Gain on disposal of investment securities transferred to retained earnings	-	-	-	-	(2,425)	-	-	2,425	-	-	-
Other comprehensive loss for the year	-	-	-	-	(7,237)	-	(404)	-	(7,641)	-	(7,641)
<b>Total</b>	-	-	-	-	(9,662)	-	(404)	(40,041)	(50,107)	(10)	(50,117)
<b>Transactions with owners, recognised directly in equity</b>											
Dividends	-	-	-	-	-	-	-	(4,250)	(4,250)	-	(4,250)
Repurchase of shares	-	(250)	-	-	-	-	-	-	(250)	-	(250)
<b>Total</b>	-	(250)	-	-	-	-	-	(4,250)	(4,500)	-	(4,500)
<b>Balance at 31 December 2023</b>	123,276	(3,086)	22	(881)	(17,013)	1,696	(807)	(6,583)	96,624	477	97,101

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group	Share capital \$'000 (Note 30)	Treasury shares \$'000 (Note 31)	Capital reserve \$'000 (Note 32)	Premium on acquisition of non-controlling interest \$'000 (Note 32)	Investment revaluation reserve \$'000 (Note 32)	Property revaluation reserve \$'000 (Note 32)	Foreign currency translation reserve \$'000 (Note 32)	Retained earnings \$'000	Attributable to equity holders of the company \$'000	Non-controlling interests \$'000	Total \$'000
Balance at 1 January 2022	123,276	(2,823)	556	(881)	5,433	1,696	(46)	32,166	159,377	(1,438)	157,939
<b>Total comprehensive income/(loss) for the year:</b>											
Profit for the year	-	-	-	-	-	-	-	7,258	7,258	(33)	7,225
Gain on disposal of investment securities transferred to retained earnings	-	-	-	-	(1,748)	-	-	1,748	-	-	-
Other comprehensive loss for the year	-	-	-	-	(11,036)	-	(357)	-	(11,393)	-	(11,393)
<b>Total</b>	-	-	-	-	(12,784)	-	(357)	9,006	(4,135)	(33)	(4,168)
<b>Transactions with owners, recognised directly in equity</b>											
Dividends	-	-	-	-	-	-	-	(3,998)	(3,998)	-	(3,998)
Loss from disposal of non-controlling interest with change in control	-	-	(534)	-	-	-	-	534	-	1,958	1,958
Repurchase of shares	-	(13)	-	-	-	-	-	-	(13)	-	(13)
<b>Total</b>	-	(13)	(534)	-	-	-	-	(3,464)	(4,011)	1,958	(2,053)
<b>Balance at 31 December 2022</b>	123,276	(2,836)	22	(881)	(7,351)	1,696	(403)	37,708	151,231	487	151,718

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

<u>Company</u>	Share capital \$'000 (Note 30)	Treasury shares \$'000 (Note 31)	Capital reserve \$'000 (Note 32)	Investment revaluation reserve \$'000 (Note 32)	(Accumulated losses)/Retained earnings \$'000	Total \$'000
Balance at 1 January 2023	123,276	(2,836)	33	(7,351)	17,190	130,312
<b>Total comprehensive loss for the year:</b>						
Loss for the year	-	-	-	-	(42,763)	(42,763)
Gain on disposal of investment securities transferred to retained earnings	-	-	-	(2,425)	2,425	-
Other comprehensive loss for the year	-	-	-	(7,237)	-	(7,237)
<b>Total</b>	-	-	-	(9,662)	(40,338)	(50,000)
<b>Transactions with owners, recognised directly in equity</b>						
Dividends	-	-	-	-	(4,250)	(4,250)
Repurchase of shares	-	(250)	-	-	-	(250)
<b>Total</b>	-	(250)	-	-	(4,250)	(4,500)
<b>Balance at 31 December 2023</b>	123,276	(3,086)	33	(17,013)	(27,398)	75,812

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Share capital \$'000 (Note 30)	Treasury shares \$'000 (Note 31)	Capital reserve \$'000 (Note 32)	Investment revaluation reserve \$'000 (Note 32)	Retained earnings \$'000	Total \$'000
<b>Company</b>						
<b>Balance at 1 January 2022</b>	123,276	(2,823)	22	5,433	9,680	135,588
<b>Total comprehensive income/(loss) for the year:</b>						
Profit for the year	-	-	-	-	9,760	9,760
Gain on disposal of investment securities transferred to retained earnings	-	-	-	(1,748)	1,748	-
Other comprehensive loss for the year	-	-	-	(11,036)	-	(11,036)
<b>Total</b>	-	-	-	(12,784)	11,508	(1,276)
<b>Transactions with owners, recognised directly in equity</b>						
Dividends	-	-	-	-	(3,998)	(3,998)
Repurchase of shares	-	(13)	-	-	-	(13)
Waiver of debts from related parties	-	-	11	-	-	11
<b>Total</b>	-	(13)	11	-	(3,998)	(4,000)
<b>Balance at 31 December 2022</b>	123,276	(2,836)	33	(7,351)	17,190	130,312

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	2023 \$'000	2022 \$'000
<b>Operating activities</b>		
(Loss)/profit before income tax from continuing operations	(41,978)	9,264
Loss before income tax from discontinued operations	-	(1,959)
	(41,978)	7,305
Adjustments for:		
Share of loss/(profit) of an associate	2	(4)
Depreciation of plant and equipment (Note A)	660	742
Depreciation of right-of-use assets (Note A)	3,612	4,309
Interest expense	3,035	1,409
Interest income from fixed deposits	(19)	(12)
Interest income from lease receivables	(26)	(81)
Interest income from investment in debt securities	(10,811)	(5,213)
Interest income from loans to third parties	(950)	(1,706)
Gain on disposal of plant and equipment	(31)	(30)
Gain on disposal of right-of-use assets	(3)	(15)
Gain on disposal of debt securities	(151)	(501)
Plant and equipment written off	18	17
Provision for reinstatement costs	13	-
Loss on change in control of subsidiaries	-	1,958
Allowance for inventories	120	201
Reversal of inventories written off	-	(1)
Loss allowance for trade receivables	8,065	2,705
Loss allowance for doubtful non-trade receivables	232	-
Trade receivables written off	-	4
Allowance for impairment on plant and equipment	58	16
Allowance for impairment loss of right-of-use assets	279	471
Loss allowance/(reversal of loss allowance) on investment in debt securities	47,571	(4,492)
Fair value gain on unquoted equity investment	-	(109)
Fair value gain on convertible loan	(244)	(881)
Fair value loss on derivative assets	64	180
Fair value loss/(gain) on investment property	43	(153)
Fair value gain on quoted equity investment	(2,981)	-
Net foreign exchange loss/(gain)	544	(116)
<b>Operating cash flows before movements in working capital</b>	7,122	6,003
Trade receivables	894	(657)
Other receivables and prepayments	429	2,081
Inventories	(7,870)	(4,406)
Trade payables	7,537	(2,146)
Other payables	(487)	(308)
<b>Cash generated from operations</b>	7,625	567
Income tax paid	(81)	(280)
Interest received	45	93
Interest received from debt securities	445	2,164
Interest received from loan to third parties	701	2,350
<b>Net cash from operating activities</b>	8,735	4,894

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	2023 \$'000	2022 \$'000
<b>Investing activities</b>		
Proceeds from disposal of plant and equipment	105	181
Purchase of property, plant and equipment (Note B)	(593)	(532)
Proceeds from disposal of equity securities	18,303	12,311
Purchase of equity securities	(90)	(39,323)
Proceeds from disposal of quoted debt securities	29,149	12,034
Investment in unquoted investment securities	-	(90)
Purchase of quoted debt securities	(32,859)	(37,426)
Repayment of loan from a third party	2,331	24,000
Net cash from/(used in) investing activities	16,346	(28,845)
<b>Financing activities</b>		
Purchase of treasury shares	(250)	(13)
Interest paid	(3,022)	(1,354)
Repayment of bank borrowings	(52,404)	(40,980)
Proceeds from bank borrowings	41,124	62,728
Repayment of lease liabilities	(4,062)	(4,588)
Repayment of lease liabilities from financial institutions	(74)	(85)
Dividends paid to shareholders	(4,250)	(3,998)
Net cash (used in)/from financing activities	(22,938)	11,710
Net increase/(decrease) in cash and cash equivalents	2,143	(12,241)
Cash and cash equivalents at beginning of financial year	12,768	25,009
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(5)	-
<b>Cash and cash equivalents at end of financial year (Note 13)</b>	<b>14,906</b>	<b>12,768</b>

## Notes to the consolidated statement of cash flows:

### A. Depreciation expense:

Included in depreciation expense of \$4,272,000 (2022: \$5,051,000) in the statement of cash flows is \$4,087,000 (2022: \$4,852,000) which is classified in other operating expenses (Note 7) with the remaining classified in cost of sales (Note 5).

### B. Purchase of property, plant and equipment:

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$593,000 (2022: \$532,000) of which \$Nil (2022: \$Nil) was acquired under hire purchase loan arrangements with financial institutions (Note 28).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 1. CORPORATION INFORMATION

mDR Limited (the "Company") is listed on the Singapore Exchange Securities Trading Limited and incorporated in Singapore.

The registered office and principal place of business is at 53 Ubi Crescent, Singapore 408594.

The principal activities of the Company are that of investment holding which includes provision of financing and loans to corporate entities, provision of after-market services for mobile communication devices and consumer electronic products.

The principal activities of the subsidiaries and associate are disclosed in Note 17 and Note 18 to the financial statements respectively.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("SGD" or "\$") and all values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

As at 31 December 2023, the Group's and the Company's current liabilities exceeded its current assets by \$7,237,000 and \$20,830,000 (2022: \$14,928,000 and \$28,560,000) respectively. In the opinion of the directors, the Group is able to continue as a going concern despite its net current liabilities position as the directors are of the view that the Group will be able to continue to generate net cash inflows from its operating activities for a period of 12 months from the date these financial statements were approved and to enable it to meet its financial obligations as and when they fall due. In addition, the Group has unutilised banking facilities which are available for future use should the need arises.

### 2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2023. Except for the adoption of Amendment to SFRS(I) 1-1 and SFRS (I) Practice Statement 2: Disclosure of Accounting Policies describe below, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.2 *Adoption of new and amended standards and interpretations (cont'd)*

#### Amendment to SFRS(I) 1-1 and SFRS (I) Practice Statement 2: Disclosure of Accounting Policies

The amendments to SFRS(I) 1-1 and SFRS (I) Practice Statement 2: Disclosure of Accounting Policies provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

### 2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-7 <i>Statement of Cash Flows</i> and SFRS(I) 7 <i>Financial Instruments</i> : Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.4 *Basis of consolidation and business combinations*

#### (a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within subsidiaries are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

#### (b) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.4 *Basis of consolidation and business combinations (cont'd)*

#### (b) *Business combinations (cont'd)*

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

### 2.5 *Transactions with non-controlling interests*

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation.

All foreign exchange gains and losses impacting profit or loss are presented in the consolidated statement of comprehensive income within "other operating expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

#### (b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### 2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.7 *Property, plant and equipment (cont'd)*

Leasehold land and properties are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computers and computer system	-	20% to 33 1/3%
Other plant and equipment	-	10% to 20%
Motor vehicles	-	10% to 20%
Furniture, fittings and renovation	-	10% to 33 1/3%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leased assets are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.8 *Investment properties*

Investment properties are properties that are either owned by the Company or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

### 2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

### 2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.11 *Associates*

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associate. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of the profit or loss of its associate is the profit attributable to equity holders of the associate and, therefore is the profit or loss after tax and non-controlling interests in the subsidiaries of associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate is prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.12 *Financial instruments*

#### (a) *Financial assets*

##### *Initial recognition and measurement*

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of debt instruments applicable to the Group are:

##### *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

##### *Fair value through other comprehensive income (FVOCI)*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.12 *Financial instruments (cont'd)*

#### (a) **Financial assets (cont'd)**

##### Investments in debt instruments (cont'd)

###### *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

##### Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

###### *De-recognition*

A financial asset is de-recognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

#### (b) **Financial liabilities**

##### *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.12 *Financial instruments (cont'd)*

#### (b) *Financial liabilities (cont'd)*

##### *De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

#### (c) *Derivatives*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

##### *Embedded derivatives*

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

Derivative embedded in hybrid contracts with a financial asset host within the scope of SFRS(I) 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

### 2.13 *Financial guarantees*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

### 2.14 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.14 *Impairment of financial assets (cont'd)*

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are more than 1 year past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank, cash on hand, fixed deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.16 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.17 *Employee benefits*

#### (a) *Retirement benefit costs*

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

#### (b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of each reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.18 Leases

#### *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

#### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the remaining lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.18 *Leases (cont'd)*

#### *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Rental income is accounted for on a straight-line basis over the lease terms.

### 2.19 *Inventories*

Inventories consist principally of spare parts, handsets, phone accessories, prepaid cards and raw materials that are stated at lower of cost and net realisable value.

Cost comprises direct materials, and where applicable, net of volume rebates. Cost is calculated using weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### 2.20 *Revenue*

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

#### (a) *Sale of goods*

The Group sells mobile telecommunication equipment, mobile related services, including mobile virtual network operator services and prepaid cards both to the wholesale market and directly to customers through its own retail outlets.

For sale of goods to the wholesale market, revenue is recognised when control of the goods is transferred, being when the goods have been collected by the wholesalers or have been shipped to the wholesaler's specific location (delivery). A receivable is recognised by the Group when the goods are delivered to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

For sale of goods to retail customers, revenue is recognised when control of the goods is transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods. As the returns of goods from customers during the year are few, the refund liability and the corresponding adjustment to revenue is expected to be immaterial.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.20 Revenue (cont'd)

#### (a) Sale of goods (cont'd)

Revenue from mobile virtual network operator services is recognised based on the stand-alone selling price of bundled services and/or products. Revenue is recognised over time throughout the contract period as the customers simultaneously receives and consumes the benefit from the Group's performance of providing the services.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effect of variable consideration which is primarily volume rebates. The Group applies the most likely amount method which is used for contracts with a single volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in transaction price and recognised as revenue.

#### (b) Incentive income

The Group actively promotes the goods of suppliers and connects lines for telecommunication companies through its own retail outlets and via franchising arrangement. The Group receives performance incentive from telecommunication companies for promoting its goods and services and from achieving performance targets. Revenue, in the form of incentive income, are recognised at a point when the line connection and when the targets are achieved, in accordance with the terms of agreement with the telecommunication companies. Any amount recognised as an accrued income will be reclassified to trade receivables at the point at which it is invoiced to the telecommunication companies.

The Group receives marketing rebates from principals. These rebates are given mainly for promotional events, volume rebates for inventories purchased and rebates for inventories sold. Incentive income is recognised in the period earned.

#### (c) Rendering of after-market services

The Group provides after-market services, including retrofit services and repair management services (in-of-warranty and out-of-warranty) of mobile telecommunication equipment and consumer products. Revenue is recognised when the repair services are completed, representing that the performance obligation is satisfied. Payment of the transaction price is due at the point the customer collects the repaired equipment, for out-of-warranty repairs. A receivable due from the principals is recognised by the Group when the repair services are completed for in-of-warranty repairs.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.20 Revenue (cont'd)

(d) Printing and installation service

The Group provides digital inkjet printing and installation services. Revenue is recognised when the printing works are executed and completed. The performance obligation is satisfied when the printing works have been collected by the customers or have been shipped to the customers' specific location (delivery).

For the installation services, revenue is recognised when the installation works are completed and stage of completion is not determined as the total time expected to install is less than a week. Management considers that the completion of the installations represents that the performance obligation is satisfied.

A receivable is recognised by the Group when the printing works are executed and completed together with installation as management is of the view that time expected to install is relatively short. This represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

(e) Investment income

Investment income pertains to dividend income and interest income.

Dividend income from investments is recognised at the point in time when the shareholders' rights to receive payment have been established.

Interest income from debt securities and loan to third parties is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(f) Rental income

Rental income is recognised on a straight-line basis over the term of the relevant lease.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.21 Taxes

#### (a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.21 *Taxes (cont'd)*

#### (b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### (c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

### 2.22 *Share capital and share issue expenses*

Proceeds from issuance of ordinary shares net of directly attributable expenses are recognised as share capital in equity.

### 2.23 *Treasury shares*

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.24 *Contingencies*

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities and assets are not recognised on the balance sheet of the Group.

### 2.25 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 38, including the factors used to identify the reportable segments and the measurement basis of segment information.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

### 3.1 *Judgements made in applying accounting policies*

#### *Business model assessment*

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

### 3.2 *Key Sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### *Assessment of expected credit losses on investment in debt securities*

The Group makes allowances for expected credit losses based on an assessment of the recoverability of the debt securities measured at amortised cost and fair value through other comprehensive income.

The impairment provisions for debt securities are based on assumptions about risk of default of the issuer and the exposure on default. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation based on the financials of the issuers, existing market conditions as well as forward looking estimates at the end of each reporting period.

The identification of loss allowance requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will have an impact on the carrying amount of the debt securities and loss allowance in the period in which such estimate has been changed. The justification on the provision of expected credit loss allowance for the debt securities and the carrying amount of debt securities as at 31 December 2023 is disclosed in Note 20 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 4. REVENUE AND INTEREST INCOME

	Group	
	2023 \$'000	2022 \$'000
After-market services income	21,728	17,329
Distribution management solutions income:		
- Sale of goods	151,945	122,988
- Incentive income	21,733	19,123
	173,678	142,111
Investment income:		
- Dividend income	4,275	4,702
- Interest income	11,761	6,919
	16,036	11,621
Digital inkjet printing income	4,161	4,419
	215,603	175,480
<i>Timing of transfer of goods and services</i>		
Over time	459	384
At a point in time	203,383	168,177
	203,842	168,561
Revenue	203,842	168,561
Interest income	11,761	6,919
	215,603	175,480

## 5. COST OF SALES

Cost of sales represents cost of inventory recognised as an expense, net of rebates designated for cost down purposes.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 6. OTHER OPERATING INCOME

	Group	
	2023	2022
	\$'000	\$'000
Rental support	2,565	1,999
Rental income	362	433
Interest income:		
- bank deposits	19	12
- lease interest income	26	81
Government grants:		
- wage credit scheme	113	34
- work life grant	40	25
- job support scheme	-	2
- job growth incentive	-	36
- small business recovery grant	-	40
Fair value (loss)/gain on investment property	(43)	153
Gain on disposal of plant and equipment	31	30
Gain on disposal of right-of-use assets	3	15
Consent fee	1,191	146
Others	25	60
	4,332	3,066
Gain arising from derecognition of financial assets:		
- gain on disposal of investment in debt securities (Note 20)	151	501
	151	501
	4,483	3,567

The government grants received mainly comprise the Wage Credit Scheme ("WCS"), the Work Life Grant (WLG), the Job Support Scheme ("JSS"), the Job Growth Incentive ("JGI") and the Small Business Recovery Grant ("SBRG"), all of them are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

In 2022, the Group recognised grants of \$2,000 under the JSS. Under this scheme, the government provides wage support to employers, helping businesses retain their local employees (including Singapore citizens and permanent residents) during the economic uncertainty caused by the Corona Virus Disease 2019 ("Covid-19").

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 7. OTHER OPERATING EXPENSES

	Group	
	2023	2022
	\$'000	\$'000
Minimum lease payments under operating leases - short term lease	79	18
Plant and equipment written off	18	17
Allowance for impairment on plant and equipment (Note 21)	58	16
Allowance for impairment of right-of-use assets (Note 22)	279	471
Allowance for inventories (Note 16)	120	201
Reversal of inventories written off (Note 16)	-	(1)
Depreciation of plant and equipment	594	670
Depreciation of right-of-use assets	3,493	4,182
Provision for reinstatement costs	13	-
Fair value gain on unquoted equity investment (Note 19)	-	(109)
Fair value gain on convertible loan (Note 24)	(244)	(881)
Fair value loss on derivative asset (Note 19)	64	180
Fair value gain on quoted equity investment (Note 19)	(2,981)	-
Foreign currency exchange loss/(gain)	1,021	(377)
	2,514	4,387
Reversal of impairment loss on financial assets:		
- Loss allowance for trade receivables, net (Note 14)	8,065	2,705
- Loss allowance for non trade receivables, net (Note 15)	232	-
- Written off for trade receivables	-	4
- Loss allowance/(reversal of loss allowance) on investment in debt securities, net (Note 20)	47,571	(4,492)
	55,868	(1,783)
	58,382	2,604

Included in the loss allowance/(reversal of loss allowance) on investment in debt securities are loss allowance on originated credit impaired debts securities which the amounts are presented net of interest income at credit-adjusted effective interest rate on initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 8. FINANCE COSTS

	Group	
	2023	2022
	\$'000	\$'000
Interest on bank loans	2,735	1,147
Interest on lease liabilities	297	255
Interest on lease liabilities from financial institutions	3	7
	3,035	1,409

## 9. (LOSS)/PROFIT BEFORE INCOME TAX

The following items have been included in arriving at (loss)/profit before tax from continuing operations:

	Group	
	2023	2022
	\$'000	\$'000
Audit fees:		
- auditor of the Company	202	188
- other auditors	18	15
Non-audit fees:		
- auditor of the Company	32	32
- other auditors	37	59
Directors' remuneration	3,739	4,861
Directors' fees of the Company	171	232
Employee benefits expense:		
- salaries, bonus and other benefits	9,838	8,987
- defined contribution plans	793	836
Cost of inventories recognised as expense	177,838	144,476
Depreciation of plant and equipment (recognised in cost of sales)	66	72
Depreciation of right-of-use assets (recognised in cost of sales)	119	127

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 10. INCOME TAX EXPENSE

The major components of income tax expense for the financial year ended 31 December 2023 and 2022 are:

	Group	
	2023 \$'000	2022 \$'000
Current income tax – continuing operations:		
- Current income taxation	205	255
- Over provision in respect of previous years	(10)	(183)
	195	72
Deferred income tax – continuing operations (Note 29):		
- Origination and reversal of temporary differences	(30)	37
- Under/(over) provision in respect of previous years	333	(29)
	303	8
Income tax attributable to continuing operations	498	80
Income tax expense recognised in profit or loss	498	80

Domestic income tax is calculated at 17% (2022: 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 10. INCOME TAX EXPENSE (CONT'D)

Relationship between tax expense and accounting (loss)/profit

A reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 December 2023 and 2022 is as follows:

	Group	
	2023	2022
	\$'000	\$'000
(Loss)/ profit before tax from continuing operations	(41,978)	9,264
Loss before tax from discontinued operation (Note 11)	-	(1,959)
	(41,978)	7,305
Income tax expense calculated at 17% (2022:17%)	(7,136)	1,242
Non-deductible items	8,700	523
Non-taxable items	(762)	(1,283)
Benefits from previously unrecognised tax losses	(41)	(41)
Deferred tax assets not recognised	51	528
Effect of different tax rate of subsidiaries operating in other jurisdictions	62	87
Tax effect of share of results of an associate	-	(1)
Effect of partial tax exemption and tax relief	(694)	(763)
(Over)/under provision in prior years:		
- current tax	(10)	(183)
- deferred tax	333	(29)
Others	(5)	-
Income tax expense recognised in profit or loss	498	80

## 11. 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., which ceased their business operations in 2017.

In 2022, the Group lost control in Golden Myanmar Sea (S) Pte Ltd, Golden Myanmar Sea Co., Ltd and MDR Golden Myanmar Sea Co., Ltd. as there is no director from the Group to control the business operations in these entities. The Group has recognised a loss amounted to \$1,958,000 which represents the carrying amount of the non-controlling interests that has been derecognised from the loss of control in these entities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 11. DISCONTINUED OPERATIONS (CONT'D)

The results of the discontinued operations are as follows:

	Group	
	2023 \$'000	2022 \$'000
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Other income	-	-
Administrative expenses	-	-
Other operating expenses	-	(1,959)
<b>Loss before income tax</b>	-	(1,959)
Income tax expense	-	-
<b>Loss for the year from discontinued operations</b>	-	(1,959)
<b>Loss attributable to:</b>		
Owners of the Company	-	(1,959)
Non-controlling interests	-	-
	-	(1,959)

### Loss per share disclosures

	Group	
	2023	2022
Loss per share from discontinued operation attributable to owners of the Company (cent per share)		
- Basic	-	(0.224)
- Diluted	-	(0.224)

The basic and diluted loss per share from discontinued operation are calculated by dividing the loss from discontinued operation, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively. These losses and share data are presented in the tables in Note 12(a).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 12. EARNINGS PER SHARE

### (a) *Continuing operations*

The calculation of the basic and diluted earnings per share from continuing operations attributable to the ordinary owners of the Company is based on the following data:

	Group	
	2023	2022
	\$'000	\$'000
(Loss)/profit for the year attributable to the owners of the Company	(42,466)	7,258
Add back/less:		
Loss for the year from discontinued operations	-	1,959
Earnings for the purposes of basic and diluted earnings per share from continuing operations	(42,466)	9,217
	Number of shares	Number of shares
Weighted average number of ordinary shares for basic and diluted earnings per share computation*	874,721,726	875,684,331

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

### (b) *Continuing and discontinued operations*

The basic and diluted earnings per share are calculated by dividing the (loss)/profit for the year attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and dividing the (loss)/profit for the year attributable to owners of the Company by the weighted average number of ordinary shares for diluted earnings per share computation respectively. These (loss)/profit and share data are presented in the tables in Note 12(a) above.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 13. CASH AND BANK BALANCES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and bank balances	14,906	12,768	2,936	1,872
Shown as:				
Cash and bank balances	14,217	12,342	2,936	1,872
Fixed deposits	689	426	-	-
Cash and cash equivalents in the consolidated statement of cash flows	14,906	12,768	2,936	1,872

The fixed deposits carried interests between 2.15% (2022: 2.20%) per annum. Upon maturity, the fixed deposits are automatically renewed.

## 14. TRADE RECEIVABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Third parties	8,563	8,338	1,941	1,342
Accrued income	3,334	4,501	100	226
Accrued interest receivables from debt securities	11,306	4,712	11,306	4,712
Loan receivables from a third party	811	2,947	811	2,947
Others	121	-	-	-
Related parties (Note 33)	147	156	-	-
	24,282	20,654	14,158	9,227
Less: loss allowance for trade receivables	(12,499)	(4,631)	(12,119)	(3,912)
	11,783	16,023	2,039	5,315

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. TRADE RECEIVABLES (CONT'D)

The average credit period on sales is 30 days (2022: 30 days).

The loan receivables from a third party amounted to \$811,000 (2022: \$2,947,000) bore interest at 1.25% per month (2022: 1.25% per month). The loan was secured with the shares of the corporate borrower and personal guarantees from the shareholders of the borrower. The loan has been fully provided for during the year as the mortgage over the property owned by the shareholders have been lifted.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables as set out in SFRS(I) 9:

	Lifetime ECL - not credit-impaired			Total \$'000
	Collectively assessed \$'000	Individually assessed \$'000	Lifetime ECL - credit-impaired \$'000	
<b>Group</b>				
Balance as at 1 January 2022	-	401	1,917	2,318
Amounts recovered		(65)	(1)	(66)
Amounts written off	-	(2)	(2)	(4)
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	-	97	2,674	2,771
Foreign exchange gain	-	(18)	(370)	(388)
Balance as at 31 December 2022	-	413	4,218	4,631
Amounts recovered	-	(164)	-	(164)
Amounts written off	-	(28)	(285)	(313)
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	-	126	8,103	8,229
Foreign exchange (gain)/loss	-	(22)	138	116
Balance as at 31 December 2023	-	325	12,174	12,499

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. TRADE RECEIVABLES (CONT'D)

	Lifetime ECL - not credit-impaired			Total \$'000
	Collectively assessed	Individually assessed	Lifetime ECL - credit-impaired	
	\$'000	\$'000	\$'000	
<b>Company</b>				
Balance as at 1 January 2022	-	-	1,623	1,623
Amounts recovered	-	-	(1)	(1)
Amounts written off	-	-	(2)	(2)
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	-	-	2,654	2,654
Foreign exchange gain	-	-	(362)	(362)
Balance as at 31 December 2022	-	-	3,912	3,912
Amounts written off	-	-	(8)	(8)
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	-	-	8,074	8,074
Foreign exchange loss	-	-	141	141
Balance as at 31 December 2023	-	-	12,119	12,119

The table below is an analysis of trade receivables:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Not past due and not impaired	7,452	9,006	1,634	1,594
Past due but not impaired <sup>(i)</sup>	4,331	7,017	405	3,721
	11,783	16,023	2,039	5,315
Impaired receivables - Individually assessed	12,499	4,631	12,119	3,912
Less: loss allowance for trade receivables	(12,499)	(4,631)	(12,119)	(3,912)
Total trade receivables, net	11,783	16,023	2,039	5,315

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 14. TRADE RECEIVABLES (CONT'D)

The table below is an analysis of trade receivables: (cont'd)

(i) Aging of receivables that are past due but not impaired:

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
1 to 30 days	2,691	1,919	405	34
31 to 60 days	429	325	-	33
More than 60 days	1,211	4,773	-	3,654
	4,331	7,017	405	3,721

## 15. OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Deposits	1,168	1,236	238	163
Prepayments	293	235	71	71
Third parties	1,382	2,009	260	33
	2,843	3,480	569	267
Subsidiaries	-	-	10,687	15,544
	2,843	3,480	11,256	15,811
Less: loss allowance for other receivables				
- subsidiaries	-	-	(1,047)	(3,165)
- others	(232)	(226)	(232)	-
	(232)	(226)	(1,279)	(3,165)
	2,611	3,254	9,977	12,646
Analysed as:				
Current	1,642	2,387	9,800	12,596
Non-current	969	867	177	50
	2,611	3,254	9,977	12,646

Other receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group or are secured with collateral or other credit enhancements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 15. OTHER RECEIVABLES AND PREPAYMENTS (CONT'D)

Included in the amount due from subsidiaries are net advances of \$5,303,000 (2022: \$9,836,000) that are unsecured, bear interest at 5.21% to 5.92% (2022: 3.30%) per annum and repayable on demand.

The remaining amount due from subsidiaries is unsecured, interest-free and repayable on demand. During the year, management has determined the reversal of allowance of \$2,118,000 (2022: loss allowance \$6,000) was required for a subsidiary due to the amount due from subsidiary was capitalised.

Included in the non-current other receivables are security deposits due from landlords for the rental of outlets for which the lease term expires between 1 to 3 years.

The table below shows the movement in loss allowance that has been recognised for other receivables set out in SFRS(I) 9:

Group	12-month ECL \$'000	Lifetime ECL - credit-impaired \$'000	Total \$'000
Balance as at 1 January 2022 and 31 December 2022	-	226	226
Amounts written off	-	(226)	(226)
Increase resulting from new financial assets and derecognised financial assets	-	232	232
Balance as at 31 December 2023	-	232	232

Company	12-month ECL \$'000	Lifetime ECL - credit-impaired \$'000	Total \$'000
Balance as at 1 January 2022	-	3,145	3,145
Increase resulting from new financial assets and derecognised financial assets	-	6	6
Foreign exchange loss	-	14	14
Balance as at 31 December 2022	-	3,165	3,165
Amounts written off	-	(2,149)	(2,149)
Increase resulting from new financial assets and derecognised financial assets	-	232	232
Foreign exchange loss	-	31	31
Balance as at 31 December 2023	-	1,279	1,279

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 16. INVENTORIES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Spare parts, handsets, phone accessories and prepaid cards	25,308	17,507	971	748
Raw materials	584	635	-	-
	25,892	18,142	971	748

In 2022, inventories amounted to \$1,000 was written back. The written back amount included handsets and phone accessories that were misappropriated during year 2021. Details of the misappropriation are disclosed in Note 42.

An allowance for inventory obsolescence of \$120,000 (2022: \$201,000) was made during the year.

Inventories written off and inventory obsolescence are presented in the consolidated financial statement within "other operating expenses".

## 17. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 \$'000	2022 \$'000
Unquoted equity shares, at cost	30,186	30,186
Impairment loss	(26,858)	(26,858)
	3,328	3,328
Non-trade advances to subsidiaries	9,376	7,224
Impairment loss	(9,376)	(7,224)
	-	-
	3,328	3,328

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 17. INVESTMENT IN SUBSIDIARIES (CONT'D)

Movement in impairment loss:

	Company	
	2023	2022
	\$'000	\$'000
At beginning of year	34,082	35,307
Addition during the year	2,152	-
Written off during the year	-	(1,225)
	36,234	34,082

The principal activities of the subsidiaries are the provision of after-market services for mobile equipment and consumer electronic products; distributor and retailer of mobile telecommunication equipment and mobile related services, including prepaid cards; the provision of digital inkjet printing for point-of-sale and out-of-home advertising solutions, and investment holding.

The non-trade advances to one of the subsidiaries amounted to \$2,152,000 have been capitalised and subsequently fully provided for impairment loss during the year.

The Company had carried out a review of the recoverable amounts of its investment in subsidiaries where there are indicators of impairment. There was no impairment loss recognised during the year.

The recoverable amounts of the subsidiaries were determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the relevant markets in which the subsidiaries operate.

The key assumptions for the value in use calculations are those regarding the discount rates and long-term growth rate. The pre-tax discount rates used in the cash flow projections range from 10.7% to 13.5% (2022: 14.0% to 17.5%), and long-term rates used is 2.03% to 2.71% (2022: 1.94%) respectively.

### Sensitivity to changes in assumptions

With regards to the assessment of recoverable amounts for the investment in subsidiaries, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 17. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Subsidiaries	Country of incorporation and operations	Principal activity	Effective equity interest	
			2023 %	2022 %
<b>Held directly by the Company</b>				
Distribution Management Solutions Pte. Ltd. <sup>(1)(4)</sup>	Singapore	Investment holding	97.53	97.53
VT Cosmetics Pte Ltd (f.k.a Shenzhen Quanli Leather (S) Pte Ltd) <sup>(1)</sup>	Singapore	Dormant	100	100
MDR Asset Holdings Pte Ltd <sup>(2)</sup>	Singapore	Dormant	100	100
Pixio Sdn. Bhd. <sup>(3)</sup>	Malaysia	Provision of digital inkjet printing for point-of-sale and out-of-home advertising solutions	100	100
MDR Myanmar Co., Ltd. <sup>(2)(4)(5)(6)</sup>	Myanmar	Dormant	51	51
Pixio Myanmar Co., Ltd. <sup>(2)(6)</sup>	Myanmar	Dormant	100	100
<b>Subsidiaries of Distribution Management Solutions Pte Ltd</b>				
SDS Pte. Ltd. <sup>(1)</sup>	Singapore	Sale of mobile telecommunication equipment and mobile related services, and prepaid cards	97.53	97.53
A-Mobile Pte. Ltd. <sup>(1)</sup>	Singapore	Sale of mobile telecommunication equipment and mobile related services, and prepaid cards	97.53	97.53
3 Mobile Telecom Pte. Ltd. <sup>(1)</sup>	Singapore	Sale of mobile telecommunication equipment and mobile related services, and prepaid cards	97.53	97.53
HandphoneShop Pte. Ltd. <sup>(1)</sup>	Singapore	Sale of mobile telecommunication equipment and mobile related services, and prepaid cards	97.53	97.53
Grabphone Pte. Ltd. (f.k.a NBRC Pte. Ltd.) <sup>(2)</sup>	Singapore	Dormant	97.53	97.53

(1) Audited by Ernst & Young LLP, Singapore.

(2) Management accounts have been used for consolidation purposes as management is of the view that these entities are not significant to the Group.

(3) Audited by KGNP.

(4) The profit or loss allocated to non-controlling interests and accumulated non-controlling interests of these non-wholly owned subsidiaries are individually insignificant to the Group.

(5) 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. MDR Myanmar has ceased operations in 2017.

(6) The Group does not intend to continue the Myanmar operations and has since ceased its operations. Management is currently obtaining the necessary approvals from Myanmar's authorities to proceed with their plan to liquidate these entities. Consequently, the Myanmar operations, held via the subsidiaries in Myanmar have been classified as discontinued operations since 31 December 2017.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 18. INVESTMENT IN AN ASSOCIATE

	Group	
	2023	2022
	\$'000	\$'000
Unquoted equity shares, at cost	15	15
Share of post-acquisition profit	18	20
Exchange differences	(4)	(3)
	29	32

Details of the associate are as follows:

Associate	Country of incorporation and operations	Principal activity	Proportion of ownership interest	
			2023	2022
			%	%
Pixio United Sdn. Bhd. (formerly known as United Pixio Sdn Bhd) <sup>(1)</sup>	Malaysia	Media ownership and provision of large format digital inkjet printing	50	50

(1) Audited by Crowe Malaysia PLT.

On 14 November 2014, Pixio Sdn Bhd ("Pixio") and UBP Printing Sdn Bhd ("UBP") signed a Joint Venture Agreement to incorporate a joint venture company ("JVC"), Pixio United Sdn. Bhd. (formerly known as United Pixio Sdn Bhd), under the laws of Malaysia as a private company limited by shares with each shareholder holding 50% interest. The JVC is in the business of media ownership and large format digital inkjet printing, and operates in Sabah, Sarawak and Kalimantan. The JVC was incorporated on 15 January 2015.

The Group owns 50% equity shares of the JVC. However, based on the contractual agreements between the Group and UBP, there is a call option giving UBP potential voting rights in excess of their existing 50% equity interest. Accordingly, the Directors have concluded that the Group does not have control or joint control over the JVC but has significant influence over the JVC by virtue of its right to appoint three out of six Directors to the board of the JVC; participation in the decisions about dividend distributions and provision of essential technical information.

On 29 July 2021, Pixio United Sdn. Bhd. changed its name from United Pixio Sdn Bhd to Pixio United Sdn. Bhd..

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 18. INVESTMENT IN AN ASSOCIATE (CONT'D)

The summarised financial information of Pixio United Sdn. Bhd. (formerly known as United Pixio Sdn Bhd), based on its SFRS(I) financial statements including consolidation adjustments, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Group	
	2023 \$'000	2022 \$'000
<b><i>Summarised balance sheet</i></b>		
Non-current assets	42	16
Current assets	15	48
Total assets	57	64
Non-current liabilities	(1)	-
Current liabilities	1	(1)
Total liabilities	-	(1)
Net assets	57	63
Proportion of the Group's ownership	50%	50%
Group's share of net assets, representing carrying amount of investment	29	32
<b><i>Summarised statement of comprehensive income</i></b>		
Revenue	5	29
(Loss)/profit after tax	(3)	7
Other comprehensive income	-	-
Total comprehensive income	(3)	7

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 19. INVESTMENT IN EQUITY SECURITIES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Quoted equity instruments, at fair value through other comprehensive income	76,839	99,153	76,839	99,153
Quoted equity instruments, at fair value through profit and loss	4,839	-	4,839	-
Unquoted equity instruments, at fair value through profit and loss	-	1,879	-	1,879
	81,678	101,032	81,678	101,032

Investment in quoted equity instruments is held for medium to long-term strategic purposes. Accordingly, the Directors of the Company have elected to designate these investments in quoted equity instruments as at fair value through other comprehensive income as they believe that recognising short-term fluctuations in these investments' fair values in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The fair values of these securities are based on the quoted bid prices in an active market on the last market day of the financial year. Accordingly, these securities are classified under Level 1 of the fair value hierarchy. A net fair value decrease of \$7,237,000 (2022: \$5,011,000) was recorded for the year.

During the year, the Company disposed \$18,303,000 (2022: \$12,311,000) equity instruments primarily for portfolio rebalancing and risk management which amongst others, to reduce leverage and diversify portfolio. The gain on disposal transferred to retained earnings amounted to \$2,425,000 (2022: \$1,748,000). The Company received dividend income amounted to \$541,000 (2022: \$2,248,000) from the disposed equity instruments during the year.

In April 2021, the Company subscribed for an unquoted equity security and entered into a put option arrangement giving the Company the option and right to require the contracting party to purchase the unquoted equity security for a portion of the said shareholdings. The unquoted equity security was listed on NASDAQ in April 2023. The put option arrangement has lapsed and the fair value loss on derivative asset of \$64,000 (2022: \$180,000) was recorded.

Upon listing on NASDAQ, the unquoted equity security was classified under investment in quoted equity designated at fair value through profit and loss and recorded at \$4,839,000 as at 31 December 2023 with a fair value gain of \$2,981,000 recorded (2022: Fair value gain on unquoted equity investment amounted to \$109,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 20. INVESTMENT IN DEBT SECURITIES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Quoted debt securities, at amortised cost	-	16,610	-	16,610
Quoted debt securities, at fair value through other comprehensive income	24,323	59,542	24,323	59,542
Less: loss allowance on investment in debt securities	-	(10,456)	-	(10,456)
	24,323	65,696	24,323	65,696
Analysed as:				
Current	12,654	13,027	12,654	13,027
Non-current	11,669	52,669	11,669	52,669
	24,323	65,696	24,323	65,696

For quoted debt securities at amortised cost, the average effective interest rate of the quoted debt securities is 4.75%. During the year, the Group has fully redeemed and disposed the debt securities at amortised cost and a loss on disposal amounted to \$8,583,000 recorded.

For quoted debts securities at fair value through other comprehensive income, the fair values of these securities are based on the quoted bid prices in an active market on the last market day of the financial year. Accordingly, these securities are classified under Level 1 of the fair value hierarchy.

As at 31 December 2023, the quoted debt securities have nominal values amounting to \$742.5 million (2022: \$419.7 million), with coupon rates ranging from 2.50% to 13.75% (2022: 3.13% to 11.50%) per annum and mature from 2024 to 2031 and are inclusive of 6 perpetual bonds.

During the year, the Group has redeemed and disposed some its debts securities at fair value through other comprehensive income. These debt securities had a fair value of \$21,172,000 (2022: \$1,423,000) at the date of disposal and a cumulative gain on disposal amounted to \$8,734,000 (2022: \$501,000) was recorded.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 20. INVESTMENT IN DEBT SECURITIES (CONT'D)

The following table shows the movement in expected credit loss that has been recognised for debt securities at amortised cost.

Group and Company	Total \$'000
Balance as at 1 January 2022	8,471
Net increase in loss allowance arising from new financial instruments recognised in current year, net of those derecognised upon settlement	2,128
Foreign exchange movement	(143)
Balance as at 31 December 2022	10,456
Net decrease in loss allowance arising from new financial instruments recognised in current year, net of those derecognised upon settlement	(10,438)
Foreign exchange movement	(18)
Balance as at 31 December 2023	-

Management had recognised loss allowance of \$58,009,000 (2022: reversal of loss allowance \$6,620,000), net of interest income at credit-adjusted effective interest rate on initial recognition, on the originated credit impaired debts securities designated as fair value through other comprehensive income. The loss allowance is estimated based on the difference between expected recovery and carrying value of the bonds.

The net loss allowance on debt securities of \$47,571,000 (2022: net reversal of loss allowance \$4,492,000) presented within "other operating expenses" is represented by:

	2023 \$'000	2022 \$'000
(Reversal of loss allowance)/loss allowance on debt securities carried at amortised cost	(10,438)	2,128
Loss allowance/(reversal of loss allowance) on debt securities, carried at fair value through other comprehensive income	58,009	(6,620)
	47,571	(4,492)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 21. PROPERTY, PLANT AND EQUIPMENT

	Computers and computer system \$'000	Other plant and equipment \$'000	Motor vehicles \$'000	Furniture, fittings and renovation \$'000	Assets under construction \$'000	Total \$'000
<b>Group</b>						
<b>Cost:</b>						
At 1 January 2022	3,170	4,219	1,655	1,849	-	10,893
Additions	261	110	1	85	75	532
Exchange differences	(11)	(209)	(7)	(7)	-	(234)
Disposals/write-off	(692)	(81)	(3)	(302)	-	(1,078)
Reclassification	75	2	-	(2)	(75)	-
At 31 December 2022	2,803	4,041	1,646	1,623	-	10,113
Additions	193	96	-	103	201	593
Exchange differences	(9)	(223)	(6)	(6)	-	(244)
Disposals/write-off	(476)	(296)	-	(664)	-	(1,436)
Reclassification	126	1	(62)	62	(127)	-
At 31 December 2023	2,637	3,619	1,578	1,118	74	9,026
<b>Accumulated depreciation:</b>						
At 1 January 2022	2,228	3,922	849	1,685	-	8,684
Depreciation	356	139	128	119	-	742
Exchange differences	(10)	(222)	(7)	(4)	-	(243)
Disposals/write-off	(581)	(68)	(3)	(266)	-	(918)
Reclassification	-	14	-	(14)	-	-
At 31 December 2022	1,993	3,785	967	1,520	-	8,265
Depreciation	363	112	121	64	-	660
Exchange differences	(9)	(203)	(7)	(6)	-	(225)
Disposals/write-off	(387)	(293)	-	(610)	-	(1,290)
At 31 December 2023	1,960	3,401	1,081	968	-	7,410
<b>Impairment:</b>						
At 1 January 2022	-	-	-	111	-	111
Exchange differences	-	-	-	-	-	-
Additions	-	-	-	16	-	16
Write off	-	-	-	(30)	-	(30)
At 31 December 2022	-	-	-	97	-	97
Exchange differences	-	-	-	-	-	-
Additions	-	-	-	58	-	58
Write off	-	-	-	(54)	-	(54)
At 31 December 2023	-	-	-	101	-	101
<b>Carrying amount:</b>						
At 31 December 2023	677	218	497	49	74	1,515
At 31 December 2022	810	256	679	6	-	1,751

Certain of the Group's plant and equipment with carrying amount of \$7,000 (2022: \$32,000) and motor vehicles with carrying amount of \$353,000 (2022: \$442,000) are under hire purchase loan arrangements with financial institutions (Note 28).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 21. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Computers and computer system \$'000	Other plant and equipment \$'000	Motor vehicles \$'000	Furniture, fittings and renovation \$'000	Total \$'000
<b>Company</b>					
<b>Cost:</b>					
At 1 January 2022	1,565	129	1,068	210	2,972
Additions	28	2	-	-	30
Disposals/write-off	(149)	(18)	-	(103)	(270)
At 31 December 2022	1,444	113	1,068	107	2,732
Additions	34	7	-	25	66
Disposals/write-off	(39)	(2)	-	(2)	(43)
At 31 December 2023	1,439	118	1,068	130	2,755
<b>Accumulated depreciation:</b>					
At 1 January 2022	1,163	89	538	179	1,969
Depreciation	174	18	88	17	297
Disposals/ Write-off	(149)	(16)	-	(100)	(265)
At 31 December 2022	1,188	91	626	96	2,001
Depreciation	166	14	88	2	270
Disposals/write-off	(39)	(2)	-	(2)	(43)
At 31 December 2023	1,315	103	714	96	2,228
<b>Carrying amount:</b>					
At 31 December 2023	124	15	354	34	527
At 31 December 2022	256	22	442	11	731

The Company's other plant and equipment with carrying amount of \$2,000 (2022: \$10,000) and motor vehicles with carrying amount of \$353,000 (2022: \$441,000) are under hire purchase loan arrangements with financial institutes (Note 28).

During the financial year, the Group undertook an assessment on the recoverable amounts of certain underperforming stores. As a result of the assessment, the Group recorded impairment charges of \$58,000 and \$279,000 (2022: \$16,000 and \$471,000) in respect of plant and equipment and right of use assets of its underperforming stores.

The impairment loss was recognised as the estimated recoverable amount using value in use calculation. The pre-tax discount rates used in the cash flow projections is 10.0% (2022: 11.6% to 12.5%), and the long-term growth rate used is 2.71% (2022: 2.59%).

The impairment charge is presented in the consolidated financial statement within "other operating expenses".

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22. RIGHT-OF-USE-ASSETS

The Group leases several leasehold premises and plant and equipment. The average lease term for leasehold premises and plant and equipment is 2 to 3 years (2022: 2 to 3 years).

	Leasehold premises \$'000	Plant and equipment \$'000	Total \$'000
<b>Group</b>			
<b>Cost:</b>			
At 1 January 2022	14,020	117	14,137
Exchange differences	(15)	(7)	(22)
Additions	2,749	-	2,749
Disposals/write-off	(2,349)	-	(2,349)
At 31 December 2022	14,405	110	14,515
Exchange differences	(13)	(6)	(19)
Additions	6,916	-	6,916
Disposals/write-off	(8,239)	-	(8,239)
At 31 December 2023	13,069	104	13,173
<b>Accumulated depreciation:</b>			
At 1 January 2022	6,865	70	6,935
Exchange differences	(5)	(5)	(10)
Depreciation	4,286	23	4,309
Disposals/write-off	(2,113)	-	(2,113)
At 31 December 2022	9,033	88	9,121
Exchange differences	(9)	(5)	(14)
Depreciation	3,591	21	3,612
Disposals/write-off	(7,712)	-	(7,712)
At 31 December 2023	4,903	104	5,007

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22. RIGHT-OF-USE-ASSETS (CONT'D)

	Leasehold premises \$'000	Plant and equipment \$'000	Total \$'000
<b>Group</b>			
<b>Impairment:</b>			
At 1 January 2022	648	-	648
Additions	471	-	471
Write-off	(213)	-	(213)
At 31 December 2022	906	-	906
Additions	279	-	279
Write-off	(530)	-	(530)
At 31 December 2023	655	-	655
<b>Carrying amount:</b>			
At 31 December 2023	7,511	-	7,511
At 31 December 2022	4,466	22	4,488

Included in the additions are provision for reinstatement amounted to \$14,000 (2022: \$Nil).

Details of impairment assessment is disclosed under Note 21.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 22. RIGHT-OF-USE-ASSETS (CONT'D)

The Company leases several leasehold premises. The average lease term is 3 years (2022: 3 years).

	Leasehold premises \$'000
<b>Company</b>	
<b>Cost:</b>	
At 1 January 2022	3,021
Additions	198
Disposals/write-off	(61)
At 31 December 2022	3,158
Additions	1,299
Disposals/write-off	(2,951)
At 31 December 2023	1,506
<b>Accumulated depreciation:</b>	
At 1 January 2022	2,010
Depreciation	706
Disposals/write-off	(59)
At 31 December 2022	2,657
Depreciation	756
Disposals/write-off	(2,951)
At 31 December 2023	462
<b>Carrying amount:</b>	
At 31 December 2023	1,044
At 31 December 2022	501

## 23. INVESTMENT PROPERTY

	Group	
	2023	2022
	\$'000	\$'000
<b>Leasehold land and building</b>		
At 1 January	7,763	8,099
Exchange difference	(399)	(489)
Fair value (loss)/gain recognised in profit or loss	(43)	153
At 31 December	7,321	7,763

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 23. INVESTMENT PROPERTY (CONT'D)

Details of the leasehold land and building as at 31 December 2023 and 2022 are as follows:

Description and location	Tenure	Unexpired lease term	Existing use	Professional valuer	Valuation techniques
Held by subsidiary, Pixio Sdn. Bhd.					
No. 32, Jalan 51A/223, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia	99-year leasehold, expiring on 9 July 2069	46 years	Office and factory	Jones Lang Wootton	Comparison method and depreciated replacement cost method

The investment property is pledged to the bank for loan facilities granted to the subsidiary.

Rental income and direct operating expenses arising from investment property are as follows:

	Group	
	2023 \$'000	2022 \$'000
Rental income	(362)	(433)
Direct operating expenses	184	136

### Fair value measurement of the Group's leasehold land and building

The fair value measurements were performed by independent valuer, Jones Lang Wootton, not connected with the Group, who have appropriate qualifications and recent experience in the fair value measurement of the property in the relevant location.

In estimating the fair value of the leasehold land and building, the highest and best use is to sell the property. Details of the valuation technique and inputs used are disclosed in Note 36.

## 24. CONVERTIBLE LOAN

The convertible loan pertains to a convertible loan \$1,500,000 extended to a third party company in 2020 with a maturity of 2 years from the date of disbursement. The loan is secured with the personal guarantee from the controlling shareholder of the borrower and a corporate guarantee from another company controlled by the same shareholder. The convertible loan was extended for a further one year in January 2023. The Group measures the convertible loan at fair value through profit or loss.

In April 2023, the convertible loan was converted into quoted shares of the third party company and was classified under quoted equity investment at fair value through other comprehensive income (Note 19). Prior to the conversion, the Group recorded a fair value gain of \$244,000 (2022: \$881,000) on the convertible loan.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 25. BANK OVERDRAFTS AND LOANS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Secured - at amortised costs</u>				
Bank overdrafts	14,415	28,145	14,415	28,145
Bank loans	28,670	29,121	26,281	26,295
	43,085	57,266	40,696	54,440
<u>Unsecured - at amortised costs</u>				
Bank loans	2,360	3,596	2,360	3,596
Trust receipts	3,500	-	-	-
	5,860	3,596	2,360	3,596
Total	48,945	60,862	43,056	58,036
Analysed as:				
Current	47,859	58,504	41,970	55,678
Non-current	1,086	2,358	1,086	2,358
	48,945	60,862	43,056	58,036

Bank overdrafts are repayable on demand, carry interest at 6.41% to 8.50% (2022: 5.11% to 8.50%), and are secured by a charge over certain equity and debt securities of the Group.

Below are the bank loans details:

- Loans of \$26.28 million (2022: \$26.30 million) advanced for the purchase of equity and debt securities. The loans carry interest at the Bank's cost of funds plus 0.50% per annum (2022: 0.50% per annum) and have a maturity of one to seven days. The loans are secured by a charge over certain of the Group's equity and debt securities.
- An unsecured term loan of \$0.94 million (2022: \$1.44 million) was advanced for working capital requirements. The loan carries interest at 2.50% per annum (2022: 2.50%) and to be repaid over a period of 5 years until September 2025.
- An unsecured term loan of \$1.42 million (2022: \$2.16 million) was advanced for working capital requirements. The loan carries interest at 2.75% (2022: 2.75%) per annum and to be repaid over a period of 5 years until September 2025.
- A term loan of \$2.39 million (2022: \$2.83 million) was advanced in February 2017. Repayments commenced in March 2017 and to be repaid over a period of 15 years until February 2032. The loan carries interest at Effective Cost of Funds ("ECOF") plus 1.25% per annum. The loan is secured by a charge over the Group's investment property (Note 23) and corporate guarantee from the Company (Note 34).<sup>(1)</sup>
- The trust receipts are repayable within 90 days with fixed interest rate of 5.25% per annum.

(1) Due to the existence of a callable clause in the term loan facility agreement, the non-current portion of the loan was presented as a current liability.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 25. BANK OVERDRAFTS AND LOANS (CONT'D)

### Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2023	Financing cash flow <sup>(i)</sup>	New lease liabilities	Non-cash changes		31 December 2023
				exchange movement	Other changes <sup>(ii)</sup>	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Bank overdrafts and loans	60,862	(11,280)	-	(650)	13	48,945
Lease liabilities from landlords	5,371	(4,062)	6,902	(3)	(89)	8,119
Lease liabilities from financial institutions	93	(74)	-	(1)	-	18

	1 January 2022	Financing cash flow <sup>(i)</sup>	New lease liabilities	Non-cash changes		31 December 2022
				exchange movement	Other changes <sup>(ii)</sup>	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Bank overdrafts and loans	40,299	21,748	-	(1,240)	55	60,862
Lease liabilities from landlords	7,289	(4,588)	2,749	(10)	(69)	5,371
Lease liabilities from financial institutions	178	(85)	-	-	-	93

(i) The cash flows comprised the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(ii) Other changes include disposal and write off of lease liabilities.

## 26. TRADE PAYABLES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Third parties	14,185	6,694	1,435	1,566

Trade payables principally comprise amounts outstanding for trade purchases.

The average credit period on purchase of goods is 30 days (2022: 30 days). The Group and the Company have put in place financial risk management policies to ensure that all payables are within the credit timeframe.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 27. OTHER PAYABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Third parties	874	796	43	43
Accrued staff costs	5,039	4,043	4,538	3,597
Accrued expenses	1,969	2,406	494	598
Deferred income	728	1,736	-	1
Subsidiaries	-	-	48	49
	8,610	8,981	5,123	4,288
Analysed as:				
Current	8,541	8,667	5,123	4,288
Non-current	69	314	-	-
	8,610	8,981	5,123	4,288

Accrued staff costs relate to accruals for commission, bonus and defined contribution retirement benefit plans.

Deferred income includes rental support from vendor. The Group and one of its vendors signed an agreement to collaborate in two of the retail stores operations during 2021. As part of the collaboration, it was agreed that the vendor would provide rental support to the Group over the course of the lease period which expires in 2024. Rental support is recognised in other income on the monthly basis over the lease period.

## 28. LEASES

### *Group as a lessee*

The Group has lease contracts for retail outlets and plant and equipment. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases with lease terms of 12 months or less and the Group has applied the "short-term lease" recognition exemption for these leases.

#### (a) *Right-of-use assets*

The carrying amounts of right-of-use assets and the movements during the year are disclosed in Note 22.

#### (b) *Lease liabilities from landlords and financial institutions*

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 25 and maturity analysis of the lease liabilities is disclosed in Note 37.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. LEASES (CONT'D)

*Group as a lessee (cont'd)*

(c) *Amounts recognised in profit or loss*

	Group	
	2023 \$'000	2022 \$'000
Depreciation of right-of-use assets	3,612	4,309
Interest expense on lease liabilities	297	255
Interest on lease liabilities from financial institutions	3	7
Lease expenses not capitalised in lease liabilities		
- Expenses relating to short-term leases	79	51
COVID-19-related rent concessions	-	(33)
Total amount recognised in profit or loss	3,991	4,589

(d) *Total cash outflow*

The Group had total cash outflows for leases of \$4,215,000 in 2023 (2022: \$4,691,000).

(e) *Extension options*

The Group has several lease contracts that includes extension options. The options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

	Group		
	Within five years	More than five years	Total
	\$'000	\$'000	\$'000
<b>31.12.2023</b>			
Extension options expected not to be exercised	207	-	207
<b>31.12.2022</b>			
Extension options expected not to be exercised	708	-	708

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 28. LEASES (CONT'D)

### Group as lessor

In 2021, the Group has entered into operating lease on its investment property (Note 23). These non-cancellable leases have remaining lease terms of 11 months.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period are as follows:

	Group	
	2023 \$'000	2022 \$'000
Not later than one year	240	420
Later than one year but not later than five years	-	385
Total amount recognised in profit or loss	240	805

## 29. DEFERRED TAX

	Accelerated tax depreciation \$'000	Revaluation of land and buildings \$'000	Unutilised tax losses \$'000	Leases \$'000	Others \$'000	Total \$'000
<b>Group</b>						
At 1 January 2022	(116)	548	-	7	-	439
Charge to profit or loss (Note 10):						
Current year	-	37	-	-	-	37
Over provision in respect of prior years	(25)	-	-	(4)	-	(29)
Exchange differences	-	(26)	-	-	-	(26)
At 31 December 2022	(141)	559	-	3	-	421
(Credit)/charge to profit or loss (Note 10):						
Current year	(25)	-	(1,108)	(17)	1,120	(30)
(Over)/under provision in respect of prior years	(176)	-	(66)	-	575	333
Exchange differences	-	-	-	-	(23)	(23)
At 31 December 2023	(342)	559	(1,174)	(14)	1,672	701

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 29. DEFERRED TAX (CONT'D)

	Accelerated tax depreciation \$'000	Unutilised tax losses \$'000	Leases \$'000	Others \$'000	Total \$'000
<b>Company</b>					
At 1 January 2023	-	-	-	-	-
(Credit)/charge to profit or loss for the year	(25)	(1,108)	(7)	1,077	(63)
(Over)/under provision in respect of prior years	(176)	(66)	(7)	582	333
At 31 December 2023	(201)	(1,174)	(14)	1,659	270

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deferred tax liabilities	701	421	270	-

As at 31 December 2023, the Group has unutilised tax losses, capital allowances and other temporary differences of approximately \$9,215,000 (2022: \$8,900,000) that are available for offset against future taxable profits, for which no deferred tax assets are recognised on these amounts due to uncertainty of their utilisation. The tax losses have no expiry date.

### Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 39).

## 30. SHARE CAPITAL

	Group and Company			
	2023	2022	2023	2022
	Number of ordinary shares		\$'000	
<b>Issued and paid up:</b>				
At beginning of year and at end of year	907,077,553	907,077,553	123,276	123,276

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 30. SHARE CAPITAL (CONT'D)

### *Share Award Scheme*

On 28 September 2018, the shareholders of the Company approved the share award scheme known as mDR Share Plan 2018. Under the mDR Share Plan 2018, the Company will deliver shares granted under an award by issuing new shares and/or transferring treasury shares free of charge, upon the participant satisfying such conditions as specified by the Committee administering the mDR Share Plan. As at 31 December 2023 and as at 31 December 2022, no share award had been granted.

## 31. TREASURY SHARES

	Group and Company			
	2023	2022	2023	2022
	Number of ordinary shares		\$'000	\$'000
At beginning of year	31,514,983	31,324,983	2,836	2,823
Repurchased during the year	3,832,800	190,000	250	13
At end of year	35,347,783	31,514,983	3,086	2,836

The Company acquired 3,832,800 (2022: 190,000) of its own shares through purchases on the Singapore Exchange during the year. The amount paid to acquire the shares was \$250,000 (2022: \$13,000) and has been deducted from shareholders' equity. The shares are held as treasury shares.

## 32. OTHER RESERVES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Capital reserve (a)	22	22	33	33
Investment revaluation reserve (b)	(17,013)	(7,351)	(17,013)	(7,351)
Property revaluation reserve (c)	1,696	1,696	-	-
Foreign currency translation reserve (d)	(807)	(403)	-	-
Premium on acquisition of non-controlling interest (e)	(881)	(881)	-	-
	(16,983)	(6,917)	(16,980)	(7,318)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32. OTHER RESERVES (CONT'D)

### (a) Capital reserve

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Redemption of convertible redeemable preference shares	22	22	22	22
Waiver of loan from related party	-	-	11	11
	22	22	33	33

### (b) Investment revaluation reserve

The investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments and debts securities designated as at fair value through comprehensive income, net of cumulative gain/loss transferred to retained earnings upon disposal. The movement in the investment revaluation reserve is as follows:

	Group and Company	
	2023 \$'000	2022 \$'000
At 1 January	(7,351)	5,433
Fair value loss on investments in equity instruments	(7,237)	(5,011)
Gain on investment in equity instruments transferred to retained earnings upon disposal	(2,425)	(1,748)
Fair value (loss)/gain on investments in debt securities, carried at fair value through other comprehensive income	(58,009)	595
Loss allowance/(reversal of loss allowance) on debt securities, carried at fair value through other comprehensive income	58,009	(6,620)
At 31 December	(17,013)	(7,351)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 32. OTHER RESERVES (CONT'D)

### (c) Property revaluation reserve

The property revaluation reserve arises on the revaluation of leasehold land and building. Where revalued leasehold land and buildings are sold, the portion of the property revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings. Items of other comprehensive income included in the property revaluation reserve will not be reclassified subsequently to profit or loss.

The revaluation reserves are not available for distribution to the Company's shareholders.

The movement in the property revaluation reserve are as follows:

	Group	
	2023	2022
	\$'000	\$'000
At 1 January and 31 December	1,696	1,696

### (d) Foreign currency translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of foreign currency translation reserve.

The movement in the foreign currency translation reserve are as follows:

	Group	
	2023	2022
	\$'000	\$'000
At 1 January	(403)	(46)
Changes during the year in other comprehensive income	(404)	(357)
At 31 December	(807)	(403)

### (e) Premium on acquisition of non-controlling interest

	Group	
	2023	2022
	\$'000	\$'000
Effect of acquiring part of non-controlling interest in a subsidiary	(881)	(881)
	(881)	(881)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 33. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions were entered into by the Group with related parties at terms agreed between the parties during the financial year. The balances with related parties are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, the Group entered into the following related party transactions:

	Group	
	2023 \$'000	2022 \$'000
<u>Nature of transactions</u>		
<i>Transactions with companies owned by common Directors:</i>		
Rental payments	373	342

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received, unless otherwise stated in the respective notes to the financial statements.

### *Compensation of Directors and key management personnel*

The remuneration of Directors and other members of key management during the year were as follows:

	Group	
	2023 \$'000	2022 \$'000
Short-term benefits	4,310	5,362
Post-employment benefits	121	109
	4,431	5,471

The remuneration of Directors and key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 34. COMMITMENTS AND CONTINGENCIES

The Group has provided the following guarantees at the end of the reporting period:

- (a) A subsidiary has outstanding banker's guarantees amounting to \$1,000,000 (2022: \$1,000,000) issued in favour of one operator (2022: one operator), entered in the normal course of business and under supply agreements.
- (b) The Company has issued a corporate guarantee amounting to \$4,134,000 (2022: \$4,384,000) to secure term loans (Note 25) on the purchase of land and building entered into by a subsidiary.
- (c) The Company has outstanding banker's guarantee amounting to \$1,000,000 (2022: \$750,000) issued in favour of one operator for a distribution licence agreement entered into by a related company.
- (d) The Company has outstanding banker's guarantee amounting to \$318,000 (2022: \$318,000) issued in favour of one lessor for a lease agreement of a retail outlet, entered into by a related company.

## 35. FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Financial assets</b>				
Financial instruments at fair value through other comprehensive income	101,162	158,695	101,162	158,695
Financial instruments at fair value through profit and loss	4,839	4,834	4,839	4,834
Amortised cost (including cash and cash equivalents)	28,886	37,964	14,881	25,916
	134,887	201,493	120,882	189,445
<b>Financial liabilities</b>				
Amortised cost	69,636	73,841	49,452	63,766
Lease liabilities	8,137	5,464	1,127	622
	77,773	79,305	50,579	64,388

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 36. FAIR VALUE OF ASSETS AND LIABILITIES

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### (a) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value by level at the end of the reporting period:

	2023			Total \$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
<b>Group and Company</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
<u>Financial instruments at fair value through other comprehensive income</u>				
Quoted equity instruments	76,839	–	–	76,839
Quoted debt securities	24,323	–	–	24,323
<u>Financial instruments at fair value through profit and loss</u>				
Quoted equity instruments	4,839	–	–	4,839
<b>Financial assets as at 31 December 2023</b>	<b>106,001</b>	<b>–</b>	<b>–</b>	<b>106,001</b>
<b>Group</b>				
<b>Non-financial assets:</b>				
Investment property	–	–	7,321	7,321
<b>Non-financial assets as at 31 December 2023</b>	<b>–</b>	<b>–</b>	<b>7,321</b>	<b>7,321</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 36. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) *Assets and liabilities measured at fair value (cont'd)*

	2022			Total \$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
<b>Group and Company</b>				
<b>Assets measured at fair value</b>				
<b>Financial assets:</b>				
<u>Financial instruments at fair value through other comprehensive income</u>				
Quoted equity instruments	99,153	-	-	99,153
Quoted debt securities	59,542	-	-	59,542
<u>Financial instruments at fair value through profit and loss</u>				
Unquoted equity instruments	-	-	1,879	1,879
Derivative assets	-	-	64	64
Convertible loan	-	-	2,891	2,891
<b>Financial assets as at 31 December 2022</b>	<b>158,695</b>	<b>-</b>	<b>4,834</b>	<b>163,529</b>
<b>Group</b>				
<b>Non-financial assets:</b>				
Investment property	-	-	7,763	7,763
<b>Non-financial assets as at 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>7,763</b>	<b>7,763</b>

### Level 1 fair value

Quoted equity instruments and debt securities (Note 19 and 20): Fair value is determined by direct reference to their bid price quotations in an active market at the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 36. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) *Assets and liabilities measured at fair value (cont'd)*

Level 3 fair value measurements

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurement using significant unobservable inputs (Level 3).

Description	Fair value as at 31.12.2023	Valuation techniques	Unobservable inputs	Range
<i>Recurring fair value measurements</i>				
Investment property	7,321	Comparison method	Average market price for comparable properties	\$95 to \$111 per square foot
		Depreciated replacement cost method	Cost range for buildings	\$32 to \$47 per square foot

Description	Fair value as at 31.12.2022	Valuation techniques	Unobservable inputs	Range
<i>Recurring fair value measurements</i>				
Unquoted equity instruments	1,879	Market-based approach	Transacted share price	\$0.0055 - \$0.0066 per shares
Derivative assets	64	Option pricing model	Transacted share price	\$0.0055 - \$0.0066 per shares
			Volatility of the share price	74.3% - 91.9%
			Discount rates	2.82% - 3.76%
Convertible loan	2,891	Probability weighted expected return method	Probability weightage	20% to 80%
Investment property	7,763	Comparison method	Average market price for comparable properties	\$93 to \$112 per square foot
		Depreciated replacement cost method	Cost range for buildings	\$33 to \$50 per square foot

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 36. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) *Assets and liabilities measured at fair value (cont'd)*

Level 3 fair value measurements (cont'd)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

Impact of a change in the inputs to the fair value

For unquoted equity securities and derivative assets, a significant increase (decrease) in the transacted share price, would result in a significantly higher (lower) fair value measurement.

For convertible loan, a significant increase (decrease) in the probability weightage of the liquidation event would result in a significantly higher (lower) fair value measurement.

For investment property, a significant increase (decrease) in the transacted price of comparable properties would result in a significantly higher (lower) fair value measurement.

(ii) *Movements in Level 3 assets measured at fair value*

	<b>Group and Company</b>	
	<b>Fair value measurement using significant unobservable inputs (level 3)</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Unquoted equity instruments</u>		
At 1 January	1,879	1,699
Addition	-	71
Convert to quoted equity instruments	(1,879)	-
Fair value changes during the year profit and loss	-	109
At 31 December	-	1,879

	<b>Group and Company</b>	
	<b>Fair value measurement using significant unobservable inputs (level 3)</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Derivative assets</u>		
At 1 January	64	225
Addition	-	19
Fair value changes during the year profit and loss	(64)	(180)
At 31 December	-	64

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 36. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) *Assets and liabilities measured at fair value (cont'd)*

Level 3 fair value measurements (cont'd)

(ii) *Movements in Level 3 assets measured at fair value (cont'd)*

	<b>Group and Company</b>	
	<b>Fair value measurement using significant unobservable inputs (level 3)</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Convertible loan</u>		
At 1 January	2,891	2,010
Fair value changes during the year profit and loss	244	881
Convert to quoted equity instruments	(3,135)	-
At 31 December	-	2,891
	<b>Group</b>	
	<b>Fair value measurement using significant unobservable inputs (level 3)</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Investment property</u>		
At 1 January	7,763	8,099
Fair value changes during the year profit and loss	(43)	153
Exchange difference	(399)	(489)
At 31 December	7,321	7,763

(iii) *Valuation policies and procedures*

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement* guidance. Management has discussions with the valuer on the valuation assumptions and valuation results when the valuation is performed at each annual reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 36. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

(i) *Cash and bank balances, trade and other receivables, trade and other payables*

The fair values of these financial instruments approximate their carrying amounts at the balance sheet date because of their short-term maturity.

(ii) *Bank overdrafts and loans, and lease liabilities*

The carrying amounts of the bank overdrafts and loans, and lease liabilities are an approximation of fair values as it is a floating rate instrument that is subjected to frequent repricing to market interest rates on or near the date of balance sheet.

(c) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value*

	Group			
	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Other receivables (non-current)	969	914	867	825

	Company			
	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Other receivables (non-current)	177	169	50	49

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. The key financial risks include foreign currency risk, interest rate risk, credit risk, liquidity risk and equity price risk. The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### (i) Foreign currency risk

The Group operates in Asia with dominant operations in Singapore and Malaysia. As a result, the Group is exposed to movements in foreign currency exchange rates arising from normal trading transactions. This risk is managed through natural hedges as revenue denominated in foreign currency is partly matched with corresponding costs in the same foreign currency.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations.

At the end of the reporting period, the significant carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group			
	Liabilities		Assets	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
United States Dollar	(8,836)	(18,023)	23,430	68,084
Malaysia Ringgit	-	-	603	685
Hong Kong Dollar	(29,132)	(34,832)	-	-
Singapore Dollar	(51)	(2,160)	18	29
Australian Dollar	-	(8)	62	-
Swiss Franc	(1,222)	(1,104)	-	-

	Company			
	Liabilities		Assets	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
United States Dollar	(8,701)	(17,881)	23,299	67,951
Malaysia Ringgit	-	-	603	685
Hong Kong Dollar	(29,132)	(34,832)	-	-
Australian Dollar	-	(8)	62	-
Swiss Franc	(1,222)	(1,104)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (i) Foreign currency risk (cont'd)

#### Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the relevant foreign currency strengthens and weakens by 5% against the functional currency of each entity in the Group, loss before income tax (2022: profit before income tax) will (decrease)/increase by:

	US		Malaysia		Hong Kong		Singapore		Australian		Swiss Franc	
	Dollar impact		Ringgit impact		Dollar impact		Dollar impact		Dollar impact		Dollar impact	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Group</b>												
Loss or profit	(730)	2,503	(30)	34	1,457	(1,742)	2	(107)	(3)	-	61	(55)
<b>Company</b>												
Loss or profit	(730)	2,504	(30)	34	1,457	(1,742)	-	-	(3)	-	61	(55)

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rates risk arises primarily from its loans and borrowings. The Group's policy is to maintain cash equivalents and borrowings in fixed and variable rate instruments.

#### Interest rate sensitivity

At 31 December 2023, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss before income tax for the year ended 31 December 2023 (2022: profit before income tax) would increase/decrease (2022: decrease/increase) by \$245,000 (2022: \$304,000).

At 31 December 2023, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss before income tax for the year ended 31 December 2023 (2022: profit before income tax) would increase/decrease (2022: decrease/increase) by \$215,000 (2022: \$290,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (iii) Credit risk

Credit risk refers to the risk that the Group's counterparties may default on its contractual obligations, resulting in financial loss to the Group. The major classes of financial assets of the Group are investment securities, cash and bank balances and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers with a sound credit history. For other financial assets (including investment securities), the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation taking into account of the counterparty's payment profile and credit exposure.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

#### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (iii) Credit risk (cont'd)

#### *Significant increase in credit risk (cont'd)*

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (iii) Credit risk (cont'd)

#### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

#### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12 month expected credit loss
Doubtful	Amount is >180 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime expected credit loss - not credit-impaired
In default	Amount is >1 year past due or there is evidence indicating the asset is credit-impaired.	Lifetime expected credit loss - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off





# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (iii) Credit risk (cont'd)

#### Note 1 - Trade receivables

For trade receivables, the Group measured the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

#### Note 2 - Other receivables

For the purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses.

In determining the ECL for other receivables, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

#### Note 3 - Investment in debt securities

The Group measures ECL based on lifetime expected losses for debt securities which credit risk has increased significantly since initial recognition, and 12 month expected credit losses for debts securities which credit risk has not increased significantly since initial recognition. In evaluating the credit risk of the bond issuers, the Group assessed the historical default experience, financial position of the counterparties, credit rating, financial analyst reports and various external sources of actual and forecast economic information. The loss allowance is estimated based on the difference between expected recovery and carrying value of the debt securities.

#### Excessive risk concentration and exposure to credit risk

At the end of the reporting period, approximately 43% (2022: 31%) of the Group's trade receivables were due from 2 customers (2022: 2 customers).

Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any other counterparty did not exceed 10% of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (iii) Credit risk (cont'd)

#### Excessive risk concentration and exposure to credit risk (cont'd)

The credit risk on bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

#### Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. Hence, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

### (iv) Liquidity risk

Liquidity risk refers to the risk that the Group may have insufficient resources to meet its financial liabilities as they fall due. The Group's strategy to manage liquidity risk is to ensure that the Group has sufficient funds to meet its potential liabilities as they fall due. This strategy has not changed from prior periods.

#### *Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted payments.

The amounts included in the following table for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee (Note 34). Based on expectations at the end of the reporting period, the Group consider that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (iv) Liquidity risk (cont'd)

*Analysis of financial instruments by remaining contractual maturities (cont'd)*

	Carrying amount \$'000	Contractual cash flow \$'000	One year or less \$'000	One to five years \$'000
<b>Group</b>				
<b>2023</b>				
Bank loans	34,530	34,530	33,444	1,086
Bank overdrafts	14,415	14,415	14,415	-
Trade and other payables	20,691	20,691	20,691	-
Lease liabilities	8,119	8,625	3,928	4,697
Finance lease	18	18	18	-
Financial guarantee contracts	-	6,452	6,452	-
	<b>77,773</b>	<b>84,731</b>	<b>78,948</b>	<b>5,783</b>
<b>Group</b>				
<b>2022</b>				
Bank loans	32,717	32,717	30,359	2,358
Bank overdrafts	28,145	28,145	28,145	-
Trade and other payables	12,979	12,979	12,979	-
Lease liabilities	5,371	5,582	3,728	1,854
Finance lease	93	96	84	12
Financial guarantee contracts	-	6,452	6,452	-
	<b>79,305</b>	<b>85,971</b>	<b>81,747</b>	<b>4,224</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (iv) Liquidity risk (cont'd)

*Analysis of financial instruments by remaining contractual maturities (cont'd)*

	Carrying amount \$'000	Contractual cash flow \$'000	One year or less \$'000	One to five years \$'000
<b>Company</b>				
<b>2023</b>				
Bank loans	28,641	28,641	27,555	1,086
Bank overdrafts	14,415	14,415	14,415	-
Trade and other payables	6,396	6,396	6,396	-
Lease liabilities	1,109	1,151	720	431
Finance lease	18	18	18	-
Financial guarantee contracts	-	6,452	6,452	-
	50,579	57,073	55,556	1,517
<b>Company</b>				
<b>2022</b>				
Bank loans	29,891	29,891	27,533	2,358
Bank overdrafts	28,145	28,145	28,145	-
Trade and other payables	5,730	5,730	5,730	-
Lease liabilities	534	543	519	24
Finance lease	88	91	79	12
Financial guarantee contracts	-	6,452	6,452	-
	64,388	70,852	68,458	2,394

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (v) Equity price risk

The Group is exposed to equity price risks arising from equity investments. Equity investments (Note 19) are held for strategic rather than trading purposes. The Group does not actively trade these investments.

#### *Equity price sensitivity*

If equity prices had been 5% higher/lower:

- loss before income tax ended 31 December 2023 would decrease/increase by \$242,000 for investments in equity instruments designated as at FVTPL; and
- other comprehensive loss for the year ended 31 December 2023 (2022: other comprehensive income) would decrease/increase (2022: increase/decrease) by \$3,842,000 (2022: \$4,958,000) as a result of the changes in fair value of the investments in equity instruments, for investments in equity instruments designated as at FVTOCI.

The Group's sensitivity to equity prices has not changed significantly from prior year.

## 38. SEGMENT INFORMATION

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

AMS provides after-market service for mobile equipment and consumer electronic products. DMS is a distributor and retailer of mobile telecommunication equipment and mobile related services, including prepaid cards. DPAS provides digital inkjet printing for point-of-sale and out-of-home advertising solutions. Investment segment primarily comprises investment in marketable securities and loans to third parties.

The Group reports information based on these four business segments to the Group's key operating decision makers for the purposes of resource allocation and assessment of the segment information.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 38. SEGMENT INFORMATION (CONT'D)

The following is an analysis of the Group's revenue and results by reportable segment:

	Continuing operations					Total
	AMS \$'000	DMS \$'000	DPAS \$'000	Investment \$'000	Unallocated \$'000	
<b>2023</b>						
<b>Segment revenue</b>						
External	21,728	173,678	4,161	16,036	-	215,603
Inter-segment	-	-	-	-	-	-
	<b>21,728</b>	<b>173,678</b>	<b>4,161</b>	<b>16,036</b>	<b>-</b>	<b>215,603</b>
<b>Segment result</b>	380	(26)	936	(42,284)	5	(40,989)
Net foreign exchange loss						(1,021)
Gain on disposal of plant and equipment						31
Gain on disposal of right-of-use assets						3
Loss before income tax and share of profit of associate						(41,976)
Share of loss of associate						(2)
Loss before income tax						(41,978)
Income tax expense						(498)
Loss for the year						(42,476)
<b>Segment assets</b>	7,800	53,128	10,740	106,011	-	177,679
<b>Segment liabilities</b>	(3,876)	(26,151)	(3,464)	(46,817)	(270)	(80,578)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 38. SEGMENT INFORMATION (CONT'D)

	Continuing operations					Total \$'000
	AMS \$'000	DMS \$'000	DPAS \$'000	Investment \$'000	Unallocated \$'000	
<u>2023</u>						
<b>Other segment information</b>						
Capital expenditure – property, plant and equipment	66	418	109	-	-	593
Capital expenditure – right-of-use assets	1,299	5,617	-	-	-	6,916
Loss allowance on investment in debt securities	-	-	-	47,571	-	47,571
Depreciation of plant and equipment	270	293	97	-	-	660
Depreciation of right-of-use assets	756	2,737	119	-	-	3,612
Allowance for impairment of plant and equipment	-	58	-	-	-	58
Allowance for impairment of right-of-use assets	-	279	-	-	-	279
Plant and equipment written off	-	18	-	-	-	18
Allowance for inventories	25	82	13	-	-	120
Loss allowance/(reversal of loss allowance) for trade receivables	-	29	(38)	8,074	-	8,065
Gain on disposal of debt securities	-	-	-	(151)	-	(151)
Interest income (recorded under revenue)	-	-	-	(11,761)	-	(11,761)
Interest income (recorded under other operating income)	-	(27)	(15)	(3)	-	(45)
Interest expenses	64	252	128	2,591	-	3,035
Fair value gain on convertible loan	-	-	-	(244)	-	(244)
Fair value loss on derivative asset	-	-	-	64	-	64
Fair value gain on quoted equity investment	-	-	-	(2,981)	-	(2,981)
Fair value loss on investment property	-	-	43	-	-	43

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 38. SEGMENT INFORMATION (CONT'D)

	Continuing operations			Discontinued operations	Unallocated	Total
	AMS	DMS	DPAS			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2022</b>						
<b>Segment revenue</b>						
External	17,329	142,111	4,419	-	-	175,480
Inter-segment	-	-	-	-	-	-
	17,329	142,111	4,419	-	-	175,480
<b>Segment result</b>	145	(1,263)	1,275	(1,959)	8	6,880
Net foreign exchange gain						376
Gain on disposal of plant and equipment						30
Gain on disposal of right-of-use assets						15
Profit before income tax and share of profit of associate						7,301
Share of profit of associate						4
Profit before income tax						7,305
Income tax expense						(80)
Profit for the year						7,225
<b>Segment assets</b>	5,576	43,724	11,396	1	-	234,140
<b>Segment liabilities</b>	(3,637)	(13,658)	(3,879)	-	(421)	(82,422)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 38. SEGMENT INFORMATION (CONT'D)

	Continuing operations				Discontinued operations		Total
	AMS \$'000	DMS \$'000	DPAS \$'000	Investment \$'000	Discontinued operations \$'000	Unallocated \$'000	
<u>2022</u>							
<b>Other segment information</b>							
Capital expenditure – property, plant and equipment	29	357	146	-	-	-	532
Capital expenditure – right-of-use assets	198	2,551	-	-	-	-	2,749
Reversal of loss allowance on investment in debt securities	-	-	-	(4,492)	-	-	(4,492)
Depreciation of plant and equipment	296	328	117	1	-	-	742
Depreciation of right-of-use assets	706	3,476	127	-	-	-	4,309
Allowance for impairment of plant and equipment	-	16	-	-	-	-	16
Allowance for impairment of right-of-use assets	-	471	-	-	-	-	471
Plant and equipment written off	5	12	-	-	-	-	17
Allowance for inventories	32	166	3	-	-	-	201
(Reversal of inventories written off)/inventories written off	-	(5)	4	-	-	-	(1)
(Reversal of loss allowance)/loss allowance for trade receivables	(3)	22	32	2,654	-	-	2,705
Gain on disposal of debt securities	-	-	-	(501)	-	-	(501)
Interest income (recorded under revenue)	-	-	-	(6,919)	-	-	(6,919)
Interest income (recorded under other operating income)	-	(82)	(9)	(2)	-	-	(93)
Interest expenses	49	205	124	1,031	-	-	1,409
Fair value gain on unquoted equity investment	-	-	-	(109)	-	-	(109)
Fair value gain on convertible loan	-	-	-	(881)	-	-	(881)
Fair value loss on derivative asset	-	-	-	180	-	-	180
Fair value gain on investment property	-	-	(153)	-	-	-	(153)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 38. SEGMENT INFORMATION (CONT'D)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in 2023 and 2022.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of foreign exchange differences, gain on disposal of plant and equipment, gain on disposal of right-of-use assets, share of profit of associate and income tax expense. This is the measure reported to the key operating decision makers for the purposes of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources between segments, the key operating decision makers re-assess the resources allocation and monitor the financial assets attributable to each segment.

The key operating decision makers also monitor the tangible, intangible and financial assets attributable to each segment.

### Geographical information

	Revenue from external customers	
	2023 \$'000	2022 \$'000
<u>Continuing Operations</u>		
Singapore	211,442	171,061
Malaysia	4,161	4,419
	<b>215,603</b>	<b>175,480</b>
	Non-current assets	
	2023 \$'000	2022 \$'000
<u>Continuing Operations</u>		
Singapore	103,137	163,425
Malaysia	7,555	8,132
	<b>110,692</b>	<b>171,557</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 38. SEGMENT INFORMATION (CONT'D)

### Information about major customers

There is no single customer with revenue transactions more than 10% of the Group's total revenue for the year ended 31 December 2023.

In 2022, revenues of \$24,029,000 are derived from a single external customer. These revenues are attributable to Distribution Management Solutions segment.

## 39. DIVIDENDS

	Group and Company	
	2023	2022
	\$'000	\$'000
Proposed but not recognised as a liability as at 31 December:		
<i>Dividends on ordinary shares, subject to shareholders' approval at the AGM:</i>		
Final exempt (one-tier) dividend for 2023: Nil cents (2022: 0.4854 cents) per share	-	4,250
At 31 December	-	4,250

## 40. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged from 2022.

The capital structure of the Group consists of net debt (borrowings and lease liabilities disclosed in Notes 25 and 28 after deducting cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings and non-controlling interests).

The Group's management reviews the capital structure on an on-going basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendation of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues or the redemption of existing debt.

The Group is not subject to any externally imposed capital requirements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

## 41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation. As a result of the reclassification, the Group's other operating income decreased by \$377,000. Correspondingly, the Group's other operating expenses decreased by \$377,000 accordingly.

## 42. SUSPECTED MISAPPROPRIATION OF ASSETS

On 18 December 2021, it was announced that the Group had on 10 December 2021 and 13 December 2021 discovered two separate cases of suspected unauthorised use of the Group's marketing incentive rebates by 2 employees (referred to as "Relevant Persons"), comprising of rebates from the Group's principals which are typically used for marketing or promotional support, in its subsidiaries through the suspected unauthorised sale of handsets and phone accessories and misappropriation of proceeds from such sale ("suspected misappropriations").

The Group had conducted internal investigations and also engaged an independent audit firm to conduct forensic analysis and to review the internal controls and procedures on the use of the marketing incentive rebates. Based on the internal investigations performed, the aggregate cost of the suspected misappropriations amounted to approximately \$2,083,000. The total cost comprising of \$261,000 for 2020 and \$1,822,000 for 2021 were charged to the consolidated statement of comprehensive income as inventories written off in prior years.

In 2022, the Group has recovered inventories amounting to \$5,000 and has recorded a write back of inventories loss in the consolidated statement of comprehensive income (Note 16).

As at the date of the financial statements, the investigation by the Commercial Affairs Department on the Relevant Persons is still on going. The investigation could uncover other matters which could result in further adjustments to the financial statements.

## 43. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 28 March 2024.

# INTERESTED PERSON TRANSACTIONS

Year ended 31 December 2023

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	
Pacific Organisation Pte Ltd - Rental Expenses	Mr Ong Ghim Choon (Director and Chief Executive Officer of the Company) and his associate own the shares of Pacific Organisation Pte Ltd.	373	Nil

# SUPPLEMENTAL INFORMATION

STATISTICS OF SHAREHOLDINGS AS AT 15 MARCH 2024

## SHARE CAPITAL

Issued and Paid-up Capital	: S\$123,276,197
Number of Issued Shares	: 907,077,553
Number of Issued Shares (excluding Treasury Shares)	: 871,478,770
Number and Percentage of Treasury Shares	: 35,598,783 or 3.92%
Number and Percentage of Subsidiary Holdings <sup>(2)</sup>	: Nil
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per share. The Company cannot exercise any voting rights in respect of the Shares held by it as Treasury Shares.

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	% <sup>(1)</sup>
1 - 99	1,336	14.25	49,129	0.01
100 - 1,000	4,287	45.71	1,908,175	0.22
1,001 - 10,000	2,651	28.27	10,937,491	1.25
10,001 - 1,000,000	1,070	11.41	77,396,450	8.88
1,000,001 AND ABOVE	34	0.36	781,187,525	89.64
<b>TOTAL</b>	<b>9,378</b>	<b>100.00</b>	<b>871,478,770</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	% <sup>(1)</sup>
1	CITIBANK NOMINEES SINGAPORE PTE LTD	400,855,306	46.00
2	CHONG SHIN LEONG	111,300,000	12.77
3	ONG GHIM CHOON	59,339,200	6.81
4	DB NOMINEES (SINGAPORE) PTE LTD	43,000,000	4.93
5	LIM CHIN TONG	27,770,417	3.19
6	DBS NOMINEES (PRIVATE) LIMITED	27,271,935	3.13
7	MICHAEL KOH KOW TEE	15,750,000	1.81
8	LIM SZE CHIA	11,200,100	1.29
9	LIM TOW BOON	10,450,000	1.20
10	OCBC SECURITIES PRIVATE LIMITED	9,057,183	1.04
11	ANG SOO LIM	8,621,951	0.99
12	MAYBANK SECURITIES PTE. LTD.	6,882,216	0.79
13	PHILLIP SECURITIES PTE LTD	6,011,117	0.69
14	ONG GEOK LAN LANDY	5,058,000	0.58
15	LIM LAI HIONG	3,785,045	0.43
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,893,325	0.33
17	LIN GUODONG	2,780,000	0.32
18	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,752,644	0.32
19	DBSN SERVICES PTE. LTD.	2,520,125	0.29
20	ONG SIOW FONG	2,185,500	0.25
<b>TOTAL</b>		<b>759,484,064</b>	<b>87.16</b>

### Notes:

- (1) Percentage is calculated based on total number of Issued Shares excluding Treasury Shares.  
(2) "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited as shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

# SUPPLEMENTAL INFORMATION

AS AT 15 MARCH 2024

## DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial shareholders in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholdings respectively are as follows:

	Direct interest	Deemed interest	Total interest	
	No. of shares	No. of shares	No. of shares	% <sup>(1)</sup>
<b>Directors</b>				
Edward Lee Ewe Ming	1	398,374,143 <sup>(2)</sup>	398,374,144	45.71
Ong Ghim Choon	59,339,200	–	59,339,200	6.81
Zhang Yanmin	–	216,634,196 <sup>(3)</sup>	216,634,196	24.86
Mark Leong Kei Wei	1,557,400	–	1,557,400	0.18
Oei Su Chi, Ian	2,670,042	470,000 <sup>(4)</sup>	3,140,042	0.36
Ong Siow Fong	2,185,500	–	2,185,500	0.25
Liu Yao	437,000	–	437,000	0.05
<b>Substantial Shareholders</b>				
Edward Lee Ewe Ming	1	398,374,143 <sup>(2)</sup>	398,374,144	45.71
Ong Ghim Choon	59,339,200	–	59,339,200	6.78
Zhang Yanmin	–	216,634,196 <sup>(3)</sup>	216,634,196	24.86
Chong Shin Leong	111,300,000	400,000 <sup>(5)</sup>	111,700,000	12.82

### Notes:

- (1) Based on the issued and paid-up share capital of the Company of 871,478,770 Shares (excluding 35,598,783 treasury shares) as at 15 March 2024.
- (2) Mr Edward Lee Ewe Ming is deemed interested in 398,374,143 Shares held via nominee and financial institutions, out of which 216,634,196 Shares are held jointly with his spouse, Ms Zhang Yanmin.
- (3) Ms Zhang Yanmin is deemed interested in 216,634,196 Shares held via nominee and financial institutions, which are jointly held with her spouse, Mr. Edward Lee Ewe Ming.
- (4) Mr Oei Su Chi, Ian is deemed interested in 470,000 Shares held by his spouse.
- (5) Mr Chong Shin Leong is deemed interested in 400,000 Shares held via DBS Nominees (Private) Ltd.

## PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Approximately 33.70% of the Company's shares are held by the public and Rule 723 of the Mainboard Listing Rules of the SGX-ST has been complied with.

# SUPPLEMENTAL INFORMATION

## DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Information relating to the following Directors, who are standing for re-election as a Director at the Annual General Meeting of the Company, is provided pursuant to Rule 720(6) of the Mainboard Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited:

Name of Director	Ong Ghim Choon	Oei Su Chi, Ian	Ong Siow Fong
Date of appointment	19 August 2009	1 June 2017	28 September 2020
Date of last re-appointment (if applicable)	27 July 2022	27 July 2022	30 April 2021
Age	58	51	42
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Ong is the Group CEO of mDR. Based on the contribution and performance of Mr Ong, the Nominating Committee and the Board has recommended that Mr Ong be reappointed as an Executive Director of the Company. His expertise and experience in the industry, together with his relationship with key principals, will be beneficial to the Group's business.	Mr Oei has continued to discharge his duties well and contribute positively to the Company. He provides guidance in relation to various matters of business and development of the Group. His industry experience in legal and compliance matters proves to be relevant and helpful and brings diversity to the Board in terms of overall skill sets. Based on the contribution and performance of Mr Oei, the Nominating Committee and the Board has recommended that Mr Oei be re-appointed as a Director of the Company.	Based on the overall contribution and performance of Ms Ong, the Nominating Committee and the Board has recommended that Ms Ong be re-appointed as an Independent Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	<ul style="list-style-type: none"> <li>● Executive</li> <li>● Group CEO</li> </ul>	<ul style="list-style-type: none"> <li>● Non-Executive</li> </ul>	<ul style="list-style-type: none"> <li>● Non-Executive</li> </ul>

# SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Ong Ghim Choon	Oei Su Chi, Ian	Ong Siow Fong
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Group CEO	<ul style="list-style-type: none"> <li>● Independent Director</li> <li>● ARC Member</li> <li>● NC Member</li> <li>● RC Chairman</li> </ul>	<ul style="list-style-type: none"> <li>● Independent Director</li> <li>● NC Chairperson</li> <li>● RC Member</li> </ul>
Professional qualifications	N.A.	<ul style="list-style-type: none"> <li>● Master of Laws (LL.M.), National University of Singapore</li> <li>● IBF Advanced Certificate in Governance, Risk and Compliance</li> </ul>	<ul style="list-style-type: none"> <li>● Diploma in Business Informatics, Nanyang Polytechnic</li> <li>● Capital Markets and Financial Advisory Services (CMFAS) Examination</li> <li>● Council for Estate Agencies (CEA) Real Estate Salesperson (RES) Examination</li> </ul>
Working experience and occupation(s) during the past 10 years	<p>Mr Ong is the Chief Executive Officer of the Group since February 2010. He has extensive experience in the telecommunications industry, having been a pioneer in the establishment and management of several telecommunications companies since 1993, which engaged in the distribution and retail of telecommunications and related products and accessories in the region.</p>	<p>Mr Oei presently serves as an Independent Director of mDR Ltd. He is a Legal Counsel for Guotai Junan International (Singapore), a Singapore subsidiary of one of the largest securities houses in China and Hong Kong (SAR). Prior to joining Guotai Junan, Mr Oei was an in-house legal counsel with a Singapore based foreign MNC, with businesses in paper, palm oil, construction and energy. Before that, he was in legal practice and had held the position of Director, Intellectual Property, with a leading Singapore law firm. Mr Oei holds an LL.M. degree from the National University of Singapore and has an IBF Advanced Certificate in Governance, Risk and Compliance.</p>	<p>Ms Ong is presently a Senior Associate Marketing Director of PropNex Realty Pte Ltd, where she assists clients to evaluate potential business opportunities in real estate assets and also works closely with other asset management teams on portfolio reporting and marketing strategies. She is also the Managing Director of Amicus Capital Management Pte Ltd, which is engaged in the business of providing management consultancy services. Prior to joining PropNex, Ms Ong had been a Financial Consultant with Prudential Assurance Company Singapore (Pte) Ltd.</p>

# SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Ong Ghim Choon	Oei Su Chi, Ian	Ong Siow Fong
Shareholding interest in the listed issuer and its subsidiaries	59,339,200 shares	3,140,042 shares	2,185,500 shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Ong is the brother of Mr Jimmy Ong, Director (Logistics) of A-Mobile Pte Ltd (a subsidiary of mDR).	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
<b>Other principal commitments* including Directorships</b>			
* "Principal Commitments" has the same meaning as defined in the Code.			
Past (for the last 5 years)	Nil	<ul style="list-style-type: none"> <li>• Director, Guotai Junan Investment SPC</li> <li>• Four Points Investment SPC</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Consultant, Prudential Assurance Company Singapore (Pte) Ltd</li> </ul>
Present	<u>Directorships in Group companies</u> <ul style="list-style-type: none"> <li>• 3 Mobile Telecom Pte Ltd</li> <li>• A-Mobile Pte Ltd</li> <li>• Distribution Management Solutions Pte Ltd</li> <li>• Handphoneshop Pte Ltd</li> <li>• Pixio Sdn Bhd</li> <li>• Pixio United Sdn Bhd</li> <li>• SDS Pte Ltd</li> </ul> <u>Other Directorship(s)</u> <ul style="list-style-type: none"> <li>• Pacific Organisation Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Legal Counsel, Guotai Junan International (Singapore) Pte. Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Associate Marketing Director, PropNex Realty Pte Ltd</li> <li>• Managing Director, Amicus Capital Management Pte Ltd</li> </ul>

# SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Ong Ghim Choon	Oei Su Chi, Ian	Ong Siow Fong
<b>Information required</b>			
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

# SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Ong Ghim Choon	Oei Su Chi, Ian	Ong Siow Fong
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

# SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Ong Ghim Choon	Oei Su Chi, Ian	Ong Siow Fong
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

# NOTICE OF ANNUAL GENERAL MEETING



(Incorporated in the Republic of Singapore)  
(Company Registration No. 200009059G)

**NOTICE IS HEREBY GIVEN** that the Twenty Third (23<sup>rd</sup>) Annual General Meeting (“**AGM**”) of mDR Limited (the “**Company**”) will be held at Hilton Singapore Orchard, Amaryllis meeting room, 333 Orchard Road, Singapore 238867 on 29 April 2024 (Monday) at 2:00 p.m. (Singapore time) to transact the following business:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the audited Financial Statements of the Company for the year ended 31 December 2023 together with the Auditors’ Report thereon.

(Resolution 1)

2. To re-elect Mr Ong Ghim Choon, a Director of the Company retiring pursuant to Regulation 104(1) of the Constitution of the Company.

[See Explanatory Note (i)]

(Resolution 2)

3. To re-elect Mr Oei Su Chi, Ian, a Director of the Company retiring pursuant to Regulation 104(1) of the Constitution of the Company.

[See Explanatory Note (i)]

(Resolution 3)

4. To re-elect Ms Ong Siow Fong, a Director of the Company retiring pursuant to Regulation 104(1) of the Constitution of the Company.

[See Explanatory Note (i)]

(Resolution 4)

5. To approve the payment of up to S\$300,000 to be paid to all Directors (other than the Executive Directors) as Directors’ fees for the financial year ending 31 December 2024 (same as for FY2023: up to S\$300,000; Directors’ fees paid for FY2023: S\$171,000).

[See Explanatory Note (ii)]

(Resolution 5)

6. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 6)

# NOTICE OF ANNUAL GENERAL MEETING

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

### 7. Authority to allot and issue shares

“That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue ordinary shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, notwithstanding that the authority conferred by this Resolution may have ceased to be in force,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall be less than ten per cent (10%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below);
- (2) (subject to such manner of calculation and adjustment as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares, excluding treasury shares and subsidiary holdings, at the time this Resolution is passed, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
  - (ii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the SGX-ST Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

# NOTICE OF ANNUAL GENERAL MEETING

- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.”

In this Resolution 7, “subsidiary holdings” shall have the meaning ascribed to it in the SGX-ST Listing Manual.

[See Explanatory Note (iii)]

(Resolution 7)

## 8. Authority to allot and issue Shares under the mDR Share Plan 2018

“That the Directors be and are hereby authorised to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of Awards under the mDR Share Plan 2018, provided that the aggregate number of Shares to be allotted and issued pursuant to the mDR Share Plan 2018 and any other share-based incentive schemes that may be implemented by the Company, shall not exceed 15% of the total issued and paid-up Shares (excluding treasury shares and subsidiary holdings) on the day preceding the date on which the Award shall be granted.”

[See Explanatory Note (iv)]

(Resolution 8)

## 9. Proposed renewal of the Share Buy-back Mandate

“That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the “Companies Act”) and such other laws and regulations as may for the time being be applicable, the exercise by the directors of the Company (“Directors”) of all the powers of the Company to purchase or otherwise acquire issued and paid-up ordinary shares in the share capital of the Company (“Shares”) not exceeding in aggregate the Prescribed Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:
- (i) on-market purchases transacted through the trading system of the Singapore Exchange Securities Trading Limited (“SGX-ST”), or as the case may be, any other securities exchange on which the Shares may for the time being be listed on (“Market Purchase”); and/or
  - (ii) off-market purchases otherwise than on a securities exchange, in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the SGX-ST Listing Manual (“Off-Market Purchase”),

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the SGX-ST Listing Manual, be and is hereby authorised and approved generally and unconditionally (“Share Buy-back Mandate”);

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-back Mandate shall, at the discretion of the Directors, either be cancelled or held as treasury shares and dealt with in accordance with the Companies Act;

# NOTICE OF ANNUAL GENERAL MEETING

- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors to purchase Shares pursuant to the Share Buy-back Mandate may be exercised by the Directors any time and from time to time, on and from the date of the passing of this resolution, up to the earliest of:
- (i) the date on which the next annual general meeting is held or is required by law to be held;
  - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-back Mandate are carried out to the full extent mandated; or
  - (iii) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied by Shareholders in a general meeting;
- (d) in this resolution:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs during the relevant five (5) Market Day period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the Off-Market Purchase from the holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“**Market Day**” means a day on which the SGX-ST is open for trading in securities;

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax, and other related expenses) to be paid for the Shares as determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares;

“**Prescribed Limit**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

- (e) the Directors and/or any of them be and are hereby authorised to do any and all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to the matters referred to in this resolution and the taking of any and all actions whatsoever, by any Director on behalf of the Company in connection with the proposed Share Buy-back Mandate prior to the date of the passing of this resolution be and are hereby approved, ratified and confirmed.”

[See Explanatory Note (v)]

(Resolution 9)

# NOTICE OF ANNUAL GENERAL MEETING

10. To transact any other business that may be properly transacted at an annual general meeting.

## BY ORDER OF THE BOARD

Madan Mohan

Company Secretary

Singapore, 9 April 2024

## EXPLANATORY NOTES:

- (i) **Resolutions 2 to 4:** Ordinary Resolutions 2 to 4 are to re-elect Mr Ong Ghim Choon, Mr Oei Su Chi, Ian, and Ms Ong Siow Fong as Directors of the Company.

Mr Ong Ghim Choon will, upon re-election as a Director of the Company, remain as Chief Executive Officer of the Company, and will be considered non-independent. Mr Oei Su Chi, Ian will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee (“RC”), and a member of both the Audit and Risk Committee (“ARC”) and the Nominating Committee (“NC”), and will be considered independent. Ms Ong Siow Fong will, upon re-election as a Director of the Company, remain as Chairperson of the NC, and a member of the RC, and will be considered independent.

More information on these Directors are set out in the “Board of Directors” and “Corporate Governance” sections in the Annual Report 2023. Please refer to the “Supplemental Information” section of the Annual Report 2023 for information relating to these Directors as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST.

- (ii) **Resolution 5:** Ordinary Resolution 5 is to seek approval for the payment of up to S\$300,000 to all Directors (other than Executive Directors) as Directors’ fees for the financial year ending 31 December 2024 (which is the same as that approved for the preceding financial year). Total Directors’ fees paid for FY2023 was S\$171,000. Additional information on the Directors’ fees can be found under “Corporate Governance” section in the Company’s Annual Report 2023.
- (iii) **Resolution 7:** Ordinary Resolution 7, if passed, will empower the Directors of the Company, to issue Shares and to make or grant instruments (such as warrants, debentures or options) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total fifty per cent (50%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, of which the number of Shares that may be issued other than on a *pro rata* basis to shareholders shall be less than ten per cent (10%) of the total number of Shares that may be issued (“**General Mandate**”). For the purpose of determining the aggregate number of Shares that may be issued pursuant to the General Mandate, the percentage of issued Shares shall be based on the total number of issued Shares, excluding treasury shares and subsidiary holdings, at the time Resolution 7 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time Resolution 7 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of Shares.
- (iv) **Resolution 8:** Ordinary Resolution 8, if passed, will authorise and empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue Shares in the capital of the Company in accordance with the rules of the mDR Share Plan 2018. The mDR Share Plan 2018 was first approved by the shareholders at the Extraordinary General Meeting of the Company held on 28 September 2018.

# NOTICE OF ANNUAL GENERAL MEETING

- (v) **Resolution 9:** Ordinary Resolution 9 is to renew the Share Buy-back Mandate to allow the Company to purchase or otherwise acquire its Shares, on the terms and subject to the conditions set out in this Resolution.

The Company intends to use internal resources of funds and/or external borrowings to finance the purchase or acquisition of Shares pursuant to the proposed renewal of the Share Buy-back Mandate. The amount of financing required for the Company to purchase or acquire its Shares and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of AGM as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time. Purely for illustrative purposes only, the financial effects of the purchase or acquisition of such Shares by the Company pursuant to the Share Buy-back Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2023, based on certain assumptions, are set out in the circular to shareholders dated 9 April 2024 ("**Share Buy-back Circular**"). Please refer to the Share Buy-back Circular for more details.

## **ADDITIONAL NOTES:**

### **Format of Meeting**

1. The AGM will be held in a wholly physical format. **There will be no option for shareholders to participate virtually.**

Printed copies of this Notice of AGM and the accompanying proxy form will be sent by post to members. These documents will also be published on the Company's website at the URL <http://www.m-dr.com/meetings> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

### **Appointment of Proxy(ies)**

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.  
  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the meeting as his/her/ its proxy.

# NOTICE OF ANNUAL GENERAL MEETING

4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
- (a) if submitted personally or by post, be lodged at the registered office of the Company at mDR Limited, 53 Ubi Crescent, Singapore 408594, Attn. Company Secretary; or
  - (b) if submitted electronically, be submitted via email to the Company at [corporateaffairs@m-dr.com](mailto:corporateaffairs@m-dr.com),
- and in each case, must be lodged or received (as the case may be), by 2:00 p.m. on 26 April 2024, being 72 hours before the time appointed for holding the AGM.
5. CPF and SRS investors:
- (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5:00 p.m. on 17 April 2024.

## Submission of Questions

6. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM:
- (a) by post to the registered office of the Company at mDR Limited, 53 Ubi Crescent, Singapore 408594, Attn. Company Secretary; or
  - (b) via email to the Company at [corporateaffairs@m-dr.com](mailto:corporateaffairs@m-dr.com).

When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's address; (iii) the number of shares held; and (iv) the manner in which the shareholder holds shares in the Company (e.g. via CDP, CPF/SRS, and/or scrip), for verification purposes.

All questions submitted in advance must be received by 5:00 p.m. on 17 April 2024.

7. The Company will address all substantial and relevant questions received by the prescribed deadline in paragraph 6 above by publishing its responses to such questions on SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.m-dr.com/meetings> at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies). For substantial and relevant questions received after the prescribed deadline, the Company will address them together with the questions received at the AGM, at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
8. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

# NOTICE OF ANNUAL GENERAL MEETING

## Access to Documents

9. The Annual Report 2023 and the Share Buy-back Circular may be accessed at the Company's corporate website as follows:
- (a) the Annual Report 2023 may be accessed at the URL <https://www.m-dr.com/meetings> by clicking on the hyperlink for "Annual Report 2023" under the "Year 2024" section; and
  - (b) the Share Buy-back Circular may be accessed at the URL <https://www.m-dr.com/meetings> by clicking on the hyperlink for "Share Buy-back Circular dated 9 April 2024" under the "Year 2024" section.

The above documents may also be accessed on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Members may request for printed copies of these documents by completing and submitting the Request Form, sent to them by post together with the printed copies of this Notice and the accompanying Proxy Form.

## Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy(ies) and representative(s) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request; and (iv) agrees to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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MDR Limited

(Company Registration No. 200009059G)  
(Incorporated in the Republic of Singapore)

# PROXY FORM ANNUAL GENERAL MEETING

**IMPORTANT:**

- The Annual General Meeting ("AGM") will be held, in a wholly physical format, at Hilton Singapore Orchard, Amaryllis meeting room, 333 Orchard Road, Singapore 238867 on 29 April 2024 (Monday) at 2:00 p.m.. **There will be no option for shareholders to participate virtually.**
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
- This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors.
- CPF and SRS investors:
  - may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5:00 p.m. on 17 April 2024.
- By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 9 April 2024.

I/We\*, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC / Passport / Co. Reg. No.\*)  
of \_\_\_\_\_ (Address)

being a member/members\* of MDR LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%

and/or\*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%

or failing him/her/them\*, the Chairman of the Meeting, as my/our\* proxy/proxies\* to attend, speak and vote for me/us\* on my/our\* behalf at the AGM of the Company to be held at **Hilton Singapore Orchard, Amaryllis meeting room, 333 Orchard Road, Singapore 238867 on 29 April 2024 (Monday) at 2:00 p.m.** and at any adjournment thereof. I/We\* direct my/our\* proxy/proxies\* to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder.

No.	Resolutions	For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1.	Directors' Statement and audited Financial Statements for the year ended 31 December 2023			
2.	Re-election of Mr Ong Ghim Choon as a Director			
3.	Re-election of Mr Oei Su Chi, Ian as a Director			
4.	Re-election of Ms Ong Siow Fong as a Director			
5.	Approval of Directors' fees of up to S\$300,000 for the year ending 31 December 2024			
6.	To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration			
<b>SPECIAL BUSINESS</b>				
7.	General authority to allot and issue shares			
8.	Authority to allot and issue Shares under the mDR Share Plan 2018			
9.	Proposed renewal of the Share Buy-back Mandate			

NOTE: Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with a tick (✓) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a tick (✓) in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2024

<b>Total Number of Shares held</b>

\_\_\_\_\_  
Signature(s)/Common Seal of Member(s)

\_\_\_\_\_  
Contact No. / Email Address of Member(s)

\*Delete as appropriate

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

Fold this flap for sealing. Glue firmly.

**NOTES TO PROXY FORM:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in both the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"**Relevant Intermediary**" has the meaning ascribed to in Section 181 of the Companies Act 1967.

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
  - (a) if submitted personally or by post, be lodged at the registered office of the Company at mDR Limited, 53 Ubi Crescent, Singapore 408594, Attn. Company Secretary; or
  - (b) if submitted electronically, be submitted via email to the Company at [corporateaffairs@m-dr.com](mailto:corporateaffairs@m-dr.com),and in each case, must be lodged or received (as the case may be), by 2:00 p.m. on 26 April 2024, being 72 hours before the time appointed for holding the AGM.
5. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.
6. The instrument appointing a proxy(ies) must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. A corporation which is a member may authorise, by a resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Companies Act 1967.
8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies). In addition, in the case of shares entered in the Depository Register, the Company shall be entitled to reject any instrument of proxy if the member, being the appointor, is not shown to have any shares entered against his/her name in the Depository Register as at 72 hours before the time of the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Fold this flap for sealing. Glue firmly.

**Affix  
Postage  
Stamp**

Company Secretary  
mDR Limited  
53 Ubi Crescent  
Singapore 408594

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**MDR Limited**

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Singapore 408594  
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Fax : +65 6347 8903  
Email: [corporateaffairs@m-dr.com](mailto:corporateaffairs@m-dr.com)

[www.m-dr.com](http://www.m-dr.com)