

mDR Limited

(Company Registration Number: 20009059G)

ISSUE OF NEW SHARES TO A CREDITOR OF THE COMPANY

Introduction

The Board of Directors of mDR Limited (the “**Company**”) wish to announce that they have reached a settlement with a creditor of the Company (the “**Creditor**”) in respect of outstanding amounts owing to the Creditor of approximately S\$3.12 million.

The settlement shall be completed by the issue of 69,439,182 new ordinary shares of the Company (the “**New Shares**”) at an issue price of S\$0.04491 for each New Share (the “**Issue Price**”).

The Issue Price represents a discount of 10% to the weighted average price of S\$0.0499 per share for trades done on the Official List of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the period commencing 28 February 2007 (being the full market day immediately preceding the date of the settlement letter) up to 12.00 noon on 1 March 2007 (being the time of execution of the settlement letter).

Condition Precedents

The Issue is subject to and conditional upon approval in-principle being obtained from the SGX-ST for the listing and quotation of the New Shares on the SGX-ST and such approval not having been revoked or amended and, where such approval is subject to conditions, to the extent that any such conditions for the listing and quotation of the New Shares on the SGX-ST are required to be fulfilled on or before the date of completion of the Issue, they are so fulfilled.

The Company will be making an application to the SGX-ST for the listing and quotation of the New Shares on the Official List of the SGX-ST.

BY ORDER OF THE BOARD

Huang Wenjian Eugene
Company Secretary

Singapore
1 March 2007