mDR Limited

A NEW BEGINNING

06 Annual Report

contents

Corporate Profile

mDR Limited ("mDR" or the "Company") is Asia's premier outsourcing solutions partner for major mobile phone manufacturers and telecommunication network operators in the provision of after-market services ("AMS") and distribution and retail ("DMS") for mobile communication and high-tech consumer products.

In AMS, we offer a comprehensive suite of integrated after-sales customer services including customer relationship management and technical services management, on behalf of our partners to their end-customers through proximity service centres and third-party repair management services.

Today, we operate an integrated AMS network across the Asia-Pacific region comprising 202 service centres and 250 collection points across 12 countries. We represent 62 brands including Motorola, O2, Panasonic, Philips, Samsung, Siemens and Sony Ericsson.

Of synergistic fit is our DMS business, which provides distribution and retail of mobile communication equipment and mobile-related services in Singapore and Thailand. Our distribution network comprises over 100 retail outlets, comprising authorised dealers and owned retail outlets operating under the "3 Mobile", "Handphone Shop" and "Super Mobile" brands. These outlets retail handsets and accessories of several leading mobile phone brands and are also exclusive distributors for SingTel and MobileOne mobile-related services.

"Our vision is to be a leader in distribution, retail and after-market services for high-tech products.

Chairman's Statement

"mDR Limited is Asia's premier outsourcing solutions partner for major mobile phone manufacturers and telecommunication network operators in the provision of AMS and DMS for mobile communication and high-tech consumer products.

This is the first year that we are reporting under a new corporate identity, "mDR Limited". In changing our name, we wanted to signal a new beginning for the Group.

When I took up the chairmanship of mDR in June 2005, I had stated that much was required to rebuild the company and repair a reputation that had been rocked and considerably weakened. An inordinate amount of time and resources were expended – managing events and fallouts from "matters under investigation" and unraveling the web of transactions to enable a proper restatement of the accounts for FY2003 and FY2004. This distressing chapter of the Company's history is now closed.

While FY2006 appeared to be a quieter year, away from the spotlight, we have underestimated the challenges of restructuring our complex regional AMS businesses faced by the Group in addition to continuing to unravel the web. Non-viable activities, accounts, centers and/or markets needed to be closed. In tandem, the Company focused resources to strengthen and accelerate its growth in key markets. New accounts and businesses with better yields had to be secured in key markets to replace revenue loss from the markets that we planned to exit. As a result, the Group incurred and provided for S$21.3 million of impairments and restructuring charges for FY2006. Let me share with you the key programs completed in FY2006 which I believe will lead the Group to a new beginning.

Rights Issue

The Rights Issue was fully subscribed (and for this we want to thank our shareholders for keeping faith) and has provided us with the necessary funds to repay and reschedule the Group's bank loans and facilities, for working capital, as well as funding for our planned restructuring and investment in growth markets.

Rescheduling of bank loans

The Company was able to re-schedule and reduce its borrowings by S$14.2 million in FY2006 and secure an extension to propose and complete a long-term restructuring of its loans. The Company's bankers have been understanding and supportive through this difficult period. We are confident of obtaining the bankers' continuing support.

Resolution of all outstanding claims between Nokia and mDR.

On the subject of Nokia, all outstanding issues have been dealt with, and we can now put an amicable end to the entire matter. We appreciate the efforts of Nokia in working with the new Board and management to seek an amicable resolution

mDR (S) Pte Ltd

mDR (S) Pte Ltd is the entity that assumes the acquired Semitech's After-Market Services (AMS) business. This

Chairman's Statement

helped to partially fill the revenue gap in our Group's AMS business following the cessation of the key contracts in ten countries, and consolidation of certain key regional accounts. While the integration of the acquired business has taken the better part of FY2006, it is substantially completed.

AMS – a restructured business model

The restructuring of our business model and service network through FY2006 has been substantially completed.

While previously the AMS network expansion was geared towards building up an association with a list of brand names and service centers throughout the region, our restructured network is rooted on the provision of quality after-market services for global brands on a regional basis. In short, this requires shifting our business model towards regional management of customers and focusing on aligning our service and retail network to customers' requirements.

We have since closed our AMS operations in Thailand and sold our New Zealand business. In the PRC, we have closed the Guangzhou network and downsized the backroom operation in Suzhou. At the same time however, we have expanded and strengthened the Shanghai and Beijing operations, as well as our India network, where we have a competitive structure and where we see growth potential. Outstanding re-structuring work remains for Australia, Indonesia and Taiwan.

Since late FY2006, we have had success in working with certain key customers in evolving new service models on a regional basis, and the benefits are likely to be felt from the second half of FY2007.

These measures, taken together, should improve yields in the AMS business and our Group's overall financial performance.

DMS – new sales model and new markets

DMS, which is typically a high-volume, low-margin business is taking its first steps to expand its retail network and management of retail shops outside Singapore. While the AMS division has left the Thai market, DMS has opened its first retail shop in Bangkok. Groundwork has started to establish a DMS network in Thailand and Malaysia.

In Singapore, DMS is working with key partners to introduce a sales model that moves away from its current brick-and-mortar setup. We expect this to help expand its market penetration.

Integrating service and retail

One of our thrusts this year will be to introduce more integrated multi-brand service and retail centers. Increasingly, we will be working towards this direction.

We are also exploring opportunities to integrate our distribution, sales, service and systems platforms through securing both retail and service contracts for high-end digital products on an Asia-wide basis.

Recycle and recover – a new revenue stream

Amongst the non-core assets the Company had been seeking to divest, is our majority interest in a recycling and recovery business, Environment Management Technology ("EMT"). We have now decided to formalize our shareholding in EMT in FY2007. EMT will provide an additional revenue stream, although not significant, it is expected to contribute positively to our bottom line in FY2007.

EMT was incorporated in 2004 but only began operations in April 2005. mDR's investment in EMT is S$1.5 million. While the initial plan had been to divest this business, it has since decided to consolidate EMT into mDR Group from FY2007. The Company may still divest its interest if it can obtain a reasonable value.

EMT has carved a niche for itself in liquid waste recovery from aqueous waste etchant, deploying a clean and green process, differentiating itself from other waste recovery companies that concentrate on solid waste recycling. There is no secondary waste and a high percentage of metal recovery. Its operations are highly automated, and the company is a licensed liquid waste processing company certified by the National Environment Agency in Singapore.

FY2006 in review

In FY2006, revenue fell 5% to S$268.7 million from S$284.3 million in FY2005 mainly due to the restructuring and closure of non-viable services in the AMS business. Loss for the entire year was S$32.9 million which arose primarily from the provisions and one-off expenses of S$21.3 million, of which S$8.0 million was for the impairment of investment and S$13.3 million being restructuring charges. Excluding this one-off expenses, the Group narrowed its loss by 17.1% to S$11.6 million as compared to S$14.0 million in FY2005.

A large part of FY2006 was spent closing off matters brought forward from FY2005, cleaning up the unwieldy structure of

Chairman's Statement

the Group and restructuring the regional network to secure the business base for FY2007. In this regard, the following key matters were attended to and/or completed:-

- Acquisition and integration of Semitech's AMS business;
- Rights Issue;
- Recovery of Investment in Bonds – through disposal of underlying quoted foreign securities in an intermediary company;
- Recovery of non-core assets, eg. Shareholding in DMS;
- Restructuring regional network;
- Closure of all outstanding matters with Nokia; and
- Reviewing and enhancing business models as well as negotiating with principals with the objective of improving yield.

A large part of the work has been completed but much still needs to be done before the Group is able to enjoy the fruit of success. We expect an improvement in the Group's result in FY2007.

Outlook and prospects

Our exit from non-viable and marginal markets, the phasing in of a new business model and the expansion and introduction of new businesses into AMS's revamped regional network are expected to improve yields in FY2007. As for DMS, the division is continuing with efforts to improve margins by re-aligning its various businesses in retail and distribution, dealer and franchisee channels.

The continuous efforts on improving margins, successful execution of our new plans, and the fact that historical matters are largely closed and the books "cleaned" will enable the Group to move forward and improve its financial performance in FY2007.

To carry out our expansion plans, we will require additional funding for our planned investments and working capital. We are exploring different options including strategic investors.

Note of appreciation

During the year, we saw some Board changes. We welcome Mr. Chan Soo Sen and Mr. Tham Khai Wor who joined us as Independent Directors in October 2006.

Mr. David Ding Yew Mui stepped down as Independent Director on 6 October 2006, after spending substantial time and effort in assisting our Group in managing and completing the Rights Issue. I would like to take this opportunity to thank Mr. Ding for his contributions.

I would also like to thank my fellow Directors who continue to provide their expertise and time to guide mDR on its next phase of development.

Our management team and staff have shown tremendous energy and commitment in driving the Group forward. I trust they will continue to do so.

Not least, I would like to extend our appreciation to our shareholders for their understanding and count on their continued support.

Philip Eng
Chairman

Business Network
(as at 31 December 2006)

Australia	(Brisbane, Melbourne, Perth, Richmond, Sydney)
Hong Kong SAR	-
India	(approximately 100 cities)
Indonesia	(Jakarta)
Malaysia	(Ipoh, Johor Bahru, Kota Bahru, Kota Kinabalu, Kuala Lumpur, Kuantan, Kuching, Malacca, Penang and Petaling Jaya)
New Zealand (1)	-
PRC	(Beijing, Shanghai, Suzhou and Tianjin)
Singapore	-
Taiwan	(Taipei)
Thailand	(Bangkok)
United Arab Emirates	(Dubai)
Vietnam	(Ho Chi Minh City)

Note:-

(1) We divested our business in New Zealand in the first quarter of FY2007.

Board of Directors

Philip Eng
Independent Non-Executive Chairman

Tong Choo Cherng
Executive Director and Chief Executive Officer

Mah Kah On
Independent Non-Executive Director

Chan Soo Sen
Independent Non-Executive Director

Tham Khai Wor
Independent Non-Executive Director

Board of Directors

Philip Eng is our Independent Non-Executive Chairman. He was appointed to our Board on 1 June 2005 and was re-elected on 31 May 2006. Mr. Eng is also Deputy Chairman of MCL Land Limited and President Commissioner of PT SCS Astragraphia Technologies. He is Director of Singapore Computer Systems Limited, Frasers Centrepoint Asset Management Ltd and Chinese Development Assistance Council. Mr. Eng is also Singapore's High Commissioner to the Federal Republic of Nigeria and Alternate Director to Mr. Adam Keswick in Ampang Hotel Sdn Bhd and Ampang Investments Pte Ltd. Prior to his current positions, he was Group Managing Director of the Jardine Cycle & Carriage Group. He joined Jardine Cycle & Carriage Limited in 1982 and was appointed Company Secretary in 1983, and in 1996, he was appointed Group Managing Director with overall responsibility for the Group's businesses throughout the Asia Pacific region. During his tenure, he diversified the Group's motor business to Australia and New Zealand where the markets achieved leadership positions in the respective market segments, and he expanded the Group's property business to Malaysia. In 2000, he was responsible for Jardine Cycle & Carriage Limited's successful and largest investment ever in PT Astra International Tbk, one of Indonesia's conglomerates and the largest independent automotive group in Southeast Asia. Mr. Eng continues to provide services to the Group's motor operations on a consultancy basis. An accountant by training, Mr. Eng graduated from the University of New South Wales with a Bachelor of Commerce in Accountancy in 1969. He became an Associate Member of the Institute of Chartered Accountants in Australia in 1972.

Tong Choo Cherng is our Executive Director and Chief Executive Officer. He was appointed to our Board on 25 May 2005 and re-elected on 31 May 2006. As CEO, Mr. Tong is responsible for the overall management of the business of our Group. Mr. Tong joined the mDR Group in August 2003 as our Regional Director. His last held position with ACCS before assuming his current position was as Director (South Pacific), with overall responsibilities for managing our operations in Australia and New Zealand. Prior to joining us, Mr. Tong was the Chief Financial Officer (South Asia) for Flextronics International Ltd and the Group Chief Financial Officer for JIT Ltd from 1999 to 2000, before JIT Ltd was acquired by Flextronics in 2000. Prior to 1999, Mr. Tong held various appointments which included Thomson Consumer Electronics Marketing Asia Pte Ltd where he served as Manager – Finance, Ventures and Business Development (1996 to 1997) and then as Manager, Planning & Distribution (1997 to 1999). Before that, Mr. Tong was an Executive Director of United Circuits (HK) Ltd and United Greatwall (China) Ltd, a printed circuit board manufacturer from 1991 to 1996. Between 1985 to 1990, Mr. Tong was with Motorola Electronics Pte Ltd. in Singapore, first as its Financial Controller from 1986 to 1987 and then as Materials Manager from 1988 to 1990. Mr. Tong is a graduate of The Chartered Association of Certified Accountants (United Kingdom).

Mah Kah On is our Independent Non-Executive Director. He was appointed to our Board on 9 September 2005. Mr. Mah built an illustrious 25-year career in the financial services sector, holding various positions through the years at UMF (S) Limited (formerly known as Associated Merchant Bank Pte Ltd). He was the chief executive officer from 1999 till 30 June 2005, when he retired. Under his leadership, UMF (S) Limited was managing a loan portfolio of more than S$800 million at its peak in 2001 and 2002. Over the last five years of his service, shareholders' equity averaged at about S$100 million and dividend pay-out was approximately S$50 million. Mr. Mah is qualified as a chartered accountant with the Institute of Chartered Accountants in England and Wales and he is a member of the Institute of Certified Public Accountants in Singapore.

Chan Soo Sen is our Independent Non-Executive Director. He was appointed to our Board on 6 October 2006. He is also an Independent Director for Breadtalk Group Limited, FHTK Holdings Ltd and Midas Holdings Limited. He is a well-known figure in Singapore's political scene, having been a Member of Parliament ("MP") since winning the 1997 General Elections in the East Coast Group Representative Constituency. He is also currently the MP for Joo Chiat, a ward that he has been in charge of after the 2001 General Elections and upon re-election in the 2006 General Elections. Appointed as the Parliamentary Secretary in January 1997, Mr. Chan has served in the various ministries. He was promoted to the Senior Parliamentary Secretary in May 2001 and then to the Minister of State six months later. His last held appointments were Minister of State for Education as well as Minister of State in the Ministry of Trade and Industry. He relinquished his political appointments in 2006. Prior to his political career, Mr. Chan spent 14 years in the Administrative Service from 1980 to 1994, rising to the appointment of Deputy Secretary (Development) in the Ministry of Home Affairs. His achievements include setting up the Chinese Development Council in 1992, which has grown to become an effective community self-help group today. He was also responsible for taking the China-Singapore Suzhou Industrial Park project off the ground in 1994 and nurturing it through its initial three years. Mr. Chan was awarded the President's Scholarship and Colombo Plan Scholarship in 1975 to pursue undergraduate studies in the United Kingdom. He graduated in 1978 with a Bachelor of Arts (Second Class Honours) in Mathematics from Keble College, University of Oxford. In 1986, he pursued post graduate studies in the United States under the Public Service Division's Mid Career Scholarship and returned in 1987 with a Master of Science in Management Science from the University of Stanford.

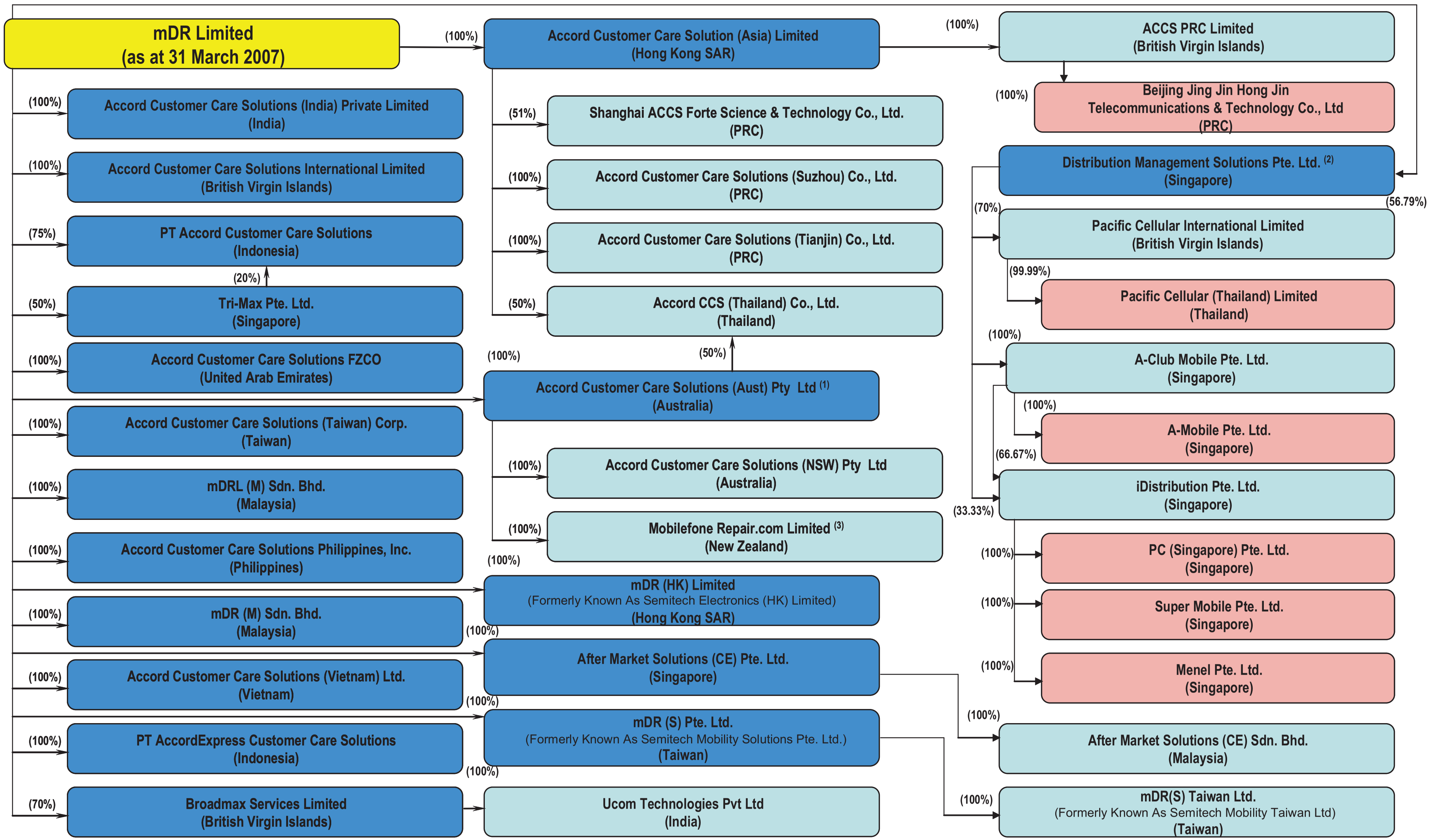
Tham Khai Wor

Tham Khai Wor is our Independent Non-Executive Director. He was appointed to our Board on 6 October 2006. Mr. Tham retired in 2005 from Singapore Press Holdings, the largest media organisation in the region. In his 33 years with SPH, Mr. Tham held a number of critical positions including his last appointment as Senior Executive Vice President, Marketing. He was also a member of the SPH management and executive committees and held various directorships in its subsidiaries. Mr. Tham's knowledge in the publishing of newspapers and magazines is well known in the region. He held various roles in the advancement of the printing, advertising and publishing industries including:-

- President, Master Printers Association;
- President, Media Owners Association;
- Founding Governor, Institute of Advertising; and
- Director, Asian Federation of Advertising Associations.

For all his contributions to advertising, he was awarded the prestigious Max Lewis Award for Excellence in 2005. Mr. Tham is presently a consultant specialising in marketing, strategic brand management and media relations. His clients include SPH, AIG-AIA, SC Global, Mercedes Benz and Singapore Pools.

Group Structure



Notes:

(1) Accord Customer Care Solutions (Aust) Pty Ltd has the following dormant subsidiaries, namely:-
Accord Customer Solutions Pty Ltd (Australia) (100%); Accord Customer Care Solutions (Network) Pty Ltd (Australia) (100%); Accord Customer Care Solutions (QLD) Pty Ltd (Australia) (100%); Australian Digital Mobile Services Pty Ltd (Australia) (100%); Accord Customer Care Solutions (WA) Pty Ltd (Australia) (100%); Accord Customer Care Solutions (VIC) Pty Ltd (Australia) (100%); MS1 Pty Ltd (Australia) (100%) and Accord Customer Care Solutions (SA) Pty Ltd (Australia) (100%).

(2) The Company, is at the date of this Report, completing its transfer and acquisition of an aggregate of 12.5% of Distribution Management Solutions Pte. Ltd.'s shares. Upon completion, the Company's shareholdings in Distribution Management Solutions Pte. Ltd. will be 69.29%.

(3) Mobilefone Repair.Com Limited was divested in 1st Quarter FY2007.

Corporate Governance

The Company is committed to observe the standards of corporate governance as set out in the Singapore Code of Corporate Governance (the “Code”).

Board’s Conduct of its Affairs

The Board is accountable to the shareholders while the management is accountable to the Board.

The Board establishes the control framework that enables risk to be assessed and managed and oversees the Company’s affairs and provides shareholders with a balanced and understandable assessment of the Company’s performance, position and prospects on a quarterly basis. This responsibility extends to interim and other price sensitive public reports, and reports to regulators (if required).

To assist the Board in the execution of its responsibilities, the Board has established 3 committees, namely, the Audit Committee, Nomination Committee and Remuneration Committee, all of which operate within clearly defined terms of reference and functional procedures. Ad hoc committees may also be constituted as and when necessary to oversee special matters.

Regular quarterly meetings have been scheduled for the Board to meet. In addition to scheduled meetings, the Board may also hold ad hoc meetings as and when required. The Company’s Articles of Association (the “Articles”) allow a Board meeting to be conducted by way of teleconference. Board approval may also be obtained through written resolutions by circulation. The attendances of the Directors at meetings of the Board and Board committees, as well as the frequency of such meetings, are disclosed in this Report.

New Directors are briefed and given materials to help them familiarise themselves with the Company’s business. To meet the Directors’ training needs, the Company will fund Directors’ attendances at any course appropriate to their discharge of duties as Directors.

Directors are given unrestricted access to all Company staff. Directors are provided with the agenda and meeting materials in advance of Board meetings. Key management staff and the Company’s auditors and solicitors, where appropriate, are invited to assist the Board in its deliberations.

Board Composition and Balance

As at the date of this Report, the Board comprises one Executive Director and four Non-Executive Directors of whom all four are also Independent Directors (i.e. Independent Directors make up more than one-third of the Board). The independence of each Independent Director is reviewed annually by the Nomination Committee. The Nomination Committee adopts the Code’s definition of what constitutes an independent director in its review. The Nomination Committee is of the view that the four current Independent Directors of the Company, namely Mr. Philip Eng Heng Nee, Mr. Chan Soo Sen, Mr. Mah Kah On and Mr. Tham Khai Wor are independent directors within the meaning of the Code, that there is a strong and independent element on the Board which is able to exercise objective judgment on corporate affairs independently, in particular, from management, and that no individual or small group of individuals dominate the Board's decision-making process. The Nomination Committee is also of the view that the current Board consists of persons who, together, will provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge necessary to meet the Company's objectives.

Role of Chairman and Chief Executive Officer

The Board applies the principle of clear division of responsibilities at the top of the Company – the working of the Board and the executive responsibility of the Company's business are divided to ensure a balance of power and authority.

The Chairman and Chief Executive Officer functions in the Company are assumed by different individuals. The Chief Executive Officer is the most senior executive in the Company and bears executive responsibility for the Company's business, while the Chairman bears responsibility for the management of the Board. The Chief Executive Officer of the Company, Mr. Tong Choo Cherng, is not related to the Chairman of the Board, Mr. Philip Eng Heng Nee.

Access to Information

Board memoranda accompany each Director's written resolution to provide explanatory information on the resolution. Financial budgets and forecasts are also presented to the Board before adoption. The Directors have also been provided with the telephone numbers and e-mail addresses of the Company's Senior Management and Company Secretary to facilitate separate and independent access.

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

The Company Secretary, Huang Wenjian Eugene attends all Board and Board committee meetings unless there is a valid reason for excusing himself from any meeting, in which case a representative will attend in his absence. The Company Secretary helps to ensure that board procedures are followed and relevant regulations are complied with.

Corporate Governance

Nomination Committee ("NC")

As at the date of this Report, the Company's NC comprises four Non-Executive Directors, namely Mr. Chan Soo Sen (NC chairman), Mr. Philip Eng Heng Nee, Mr. Mah Kah On and Mr. Tham Khai Wor, all of whom are independent. The NC chairman is not directly associated with any substantial shareholder of the Company.

The NC is responsible for, *inter alia*, making recommendations to the Board on all Board appointments and determining the independence of Directors.

The NC has put in place a set of guidelines to evaluate Board performance and individual Director's performance. Each member of the NC shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberation of the NC in respect of the assessment of his performance or re-nomination as a Director.

New Directors may be appointed *via* Board resolutions after the NC has reviewed and nominated them for appointments. Such new Directors must submit themselves for re-election at the next Annual General Meeting of the Company. The NC, in considering the re-appointment of any Director, shall evaluate the performance of the Director. The Chairman will constantly monitor and assess each Director's contribution to the Board at meetings, intensity of participation at meetings and the quality of interventions and then discuss the results with the Chairman of the NC. The Directors' attendance record at Board and Board committee meetings will make up the other criteria for re-appointment.

Article 91 of the Articles requires every Director to retire from office once every three years and for this purpose, at each Annual General Meeting, one-third of the Directors for the time being (other than any Director holding office as Managing or Joint Managing Director) shall retire from office. This means that no Director (other than the Managing or Joint Managing Director) stays in office for more than three years before being re-elected by shareholders.

Audit Committee ("AC")

As at the date of this Report, the Company's AC comprises four Non-Executive Directors, namely Mr. Mah Kah On (AC chairman), Philip Eng Heng Nee, Chan Soo Sen and Tham Khai Wor, all of whom are independent. Each AC member has many years of experience in managerial positions in various industries. The Board is of the view that the AC members have sufficient financial management expertise to discharge the AC's functions.

The role of the AC includes, *inter alia*, reviewing the quarterly and full-year financial statements prior to submission to the Board, reviewing the independence and objectivity of the external auditors and reviewing interested person transactions. The aggregate value of interested person transactions entered into during FY2006 is as follows:-

Corporate Governance

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (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)
Accord Infotech Pte Ltd [(1)]	S$75,000 [(2)]	N.A.

Notes:

(1) an associate of Mr. Henry Tan Hor Thye, a Non-Executive Director of the Company who ceased to be a Director as of 31 May 2006.

(2) fee paid for information technology support services.

The AC is explicitly authorised by the Board to investigate any matters within its terms of reference. For such purpose, the AC shall have full access to and co-operation by management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its function properly. Each member of the AC shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberations in respect of matters in which he is interested.

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

The AC meets with the external auditors, without the presence of management, once a year. The AC has reviewed the independence and objectivity of Deloitte & Touche and has satisfied itself of Deloitte & Touche's position as an independent external auditor.

Internal Audit

The Company's internal audit department (the "IA") is an independent function that reports directly to the AC on audit matters, and to the Chief Executive Officer on administrative matters. The AC reviews the IA's reports and its activities on a quarterly basis. The AC also reviews and approves the annual internal audit plans and resources to ensure that the IA has the capability to adequately perform its functions. The IA meets the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC is of the view that the IA has appropriate standing within the Company, and is currently adequately resourced.

Corporate Governance

Remuneration Committee ("RC")

As at the date of this Report, the Company's RC comprises four Non-Executive Directors, namely, Mr. Tham Khai Wor (RC chairman), Mr. Philip Eng Heng Nee, Mr. Chan Soo Sen and Mr. Mah Kah On, all of whom are independent of management and free from any business or other relationship, which may materially interfere with the exercise of their independent judgment.

The RC has access to the Company's human resources department and external consultant for expert advice on executive compensation.

The RC is mandated with the responsibility to oversee the general compensation of employees of the Group with a goal to motivate, recruit and retain employees and Directors through competitive compensation and progressive policies. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for approval by the entire Board.

Each Member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations in respect of his remuneration.

Procedures for developing remuneration policies, level and mix of remuneration and disclosure on Remuneration

The RC's principal responsibilities are to:-

1) recommend to the Board base pay levels, benefits and incentive opportunities, and identify components of pay which can best be used to focus management staff on achieving corporate objectives, including identifying equity-based incentives such as share options;

2) approve the structure of the compensation programme (including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind) for Directors and Senior Management to ensure that the programme is competitive and sufficient to attract, retain and motivate Senior Management of the required quality to run the Company successfully;

3) review Directors' and Senior Management's compensation annually and determine appropriate adjustments; and review and recommend the Chief Executive Officer's pay adjustments; and

4) administer the mDR Share Option Scheme 2003, formerly known as the ACCS Share Option Scheme 2003 ("ESOS"), details of which are set out in the "Report of the Directors and Financial Statements" of this Annual Report.

The RC decides on the specific remuneration packages for the Directors, Chief Executive Officer and all employees who report directly to the Chief Executive Officer. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for approval by the entire Board.

The Chief Executive Officer's remuneration package includes a performance-related variable bonus, and also share options which have been designed to align his interests with the shareholders'. The Chairman's

Corporate Governance

remuneration is not performance-related and is paid as a director's fee, similar to other Non-Executive Directors except that the fee payable to the Chairman is three times that payable to a Non-Executive Director. The Chairman is also entitled to share options under the ESOS. Directors' fees are recommended by the Board for approval at the Company's Annual General Meeting.

In setting remuneration packages, the RC takes into account the performance of the Group and the individual. In its deliberations, the RC takes into consideration pay and employment conditions within the industry and in comparable companies.

As at 31 December 2006, the number of Directors whose remuneration fall within the following categories are as follows:-

Range	**2006**	**2005**
Below S$250,000	4	4
Between S$250,000 and S$500,000	-	1
Above S$500,000	1	-

The terms of appointment of the Chairman of the Board, Mr. Philip Eng Heng Nee, are set out in an appointment letter from the Company to him. His remuneration package essentially comprises a director's fee of S$120,000 for each financial year and share options under the ESOS. Upon full exercise of the said options, the total number of shares to be issued to Mr. Philip Eng will be equivalent to 1.46% of the issued share capital of the Company as at 31 December 2006.

The Non-Executive Directors do not have appointment letters from the Company. Their terms of appointment and office are specified in the Articles.

The remuneration package of each of the three Non-Executive Independent Directors, namely Mr. Chan Soo Sen, Mr. Mah Kah On and Mr. Tham Khai Wor essentially comprises a director's fee of S$40,000 for each financial year.

The chairmen and members of the various Board committees also receive the following additional fees to take into account their additional responsibilities:-

Appointment	**Additional fee for each financial year (S$)**
Audit Committee chairman	20,000
Audit Committee member	10,000
Nomination Committee chairman	6,000
Nomination Committee member	3,000
Remuneration Committee chairman	6,000
Remuneration Committee member	3,000

In a typical financial year, Directors are required to attend up to six Board meetings without being paid any attendance fee at those six Board meetings.

Corporate Governance

The RC recommends to the Board, Non-Executive Directors' fees that are appropriate to the level of contribution, taking into account factors such as effort and time spent, responsibilities of Directors. The RC is of the view that the Non-Executive Directors are not over-compensated to the extent that their independence may be compromised.

The Company has entered into a Service Agreement dated 25 May 2005 with Mr. Tong Choo Cherng. Under the Service Agreement, Mr. Tong was appointed as the Chief Executive Officer of the Company. The appointment is for a term of five years (unless terminated by either party on the giving of six months' notice). The Service Agreement will also terminate automatically in the event of his death and may be terminated immediately by the Company without prior notice on the occurrence of certain specified events including serious or persistent breach of obligations, grave misconduct or bankruptcy.

The Company has also given an appointment letter to Mr. Philip Eng Heng Nee, which sets out the terms of his appointment as Chairman of the Board.

Save as disclosed above, there are no other existing or proposed service contracts or appointment letters between the Company or its subsidiaries and any of its Directors.

There are no existing or proposed service contracts entered or to be entered into by any Director with the Company or any of the Company's subsidiaries which provide for benefits upon termination of employment.

Key Executives' Remuneration

The Board is of the view that it is not in the interests of the Company to disclose the remuneration of the top five executives (who are not Directors) of the Company in this Report due to the sensitive and confidential nature of such information.

Remuneration of employees who are immediate family members of a Director or the Chief Executive Officer and whose remuneration exceeds S$150,000 during FY2006

There are no employees who are immediate family members of a Director or the Chief Executive Officer and whose remuneration exceeds S$150,000 during FY2006.

Corporate Governance

Accountability and Audit
Communication with Shareholders
Greater Shareholder Participation

The Company has adopted quarterly results reporting since its listing. The quarterly results are published through the SGXNET for the public and shareholders' information.

The Company does not practise selective disclosure of material information. Material information is excluded from any briefing or is first publicly released, either before the Company meets with investors or analysts or concurrently with such meetings. Results and annual reports are announced or issued within the mandatory period (unless extension of time is granted by the Singapore Exchange Securities Trading Limited ("SGX-ST") and/or the Accounting & Corporate Regulatory Authority) and will also be made available on the Company's website.

The Company's investor relation function is supported by an external public relations firm which assists in all matters of communication with its investors, the media and analysts and the public. All shareholders of the Company receive the Company's annual report and notice of Annual General Meeting. The notice of meeting will also be posted on the Company's website. At Annual General Meetings, shareholders are given equal opportunity and time to air their views and ask Directors or management questions regarding the Company. The Articles allow a shareholder to appoint one or two proxies to attend and vote in his place at general meetings. The chairman of each Board committee will be present and available to address questions at general meetings. The external auditors will also be present to assist the Directors in addressing any relevant queries by shareholders. There will be separate resolutions at general meetings.

Contrary to the recommendation of Rule 15.1 of the Code, the Company has not amended its Articles to provide for absentia voting methods which call for elaborate and costly implementation of a fool-proof system, the need for which does not presently arise.

Best Practices Guide and Dealings in Securities

Notwithstanding that compliance with the SGX-ST's Best Practices Guide is stated as not mandatory, the Company is committed to also adopt and abide by the Best Practices Guide.

The Company has adopted internal codes pursuant to the SGX-ST Best Practices Guide applicable to all its officers in relation to dealings in the Company's securities.

Its officers are not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's first quarter, half-year and third quarter financial results, and one month before the announcement of the Company's full-year results, and ending on the date of the announcement of the relevant results.

Corporate Governance

Directors' Attendance at Board and Board Committee Meetings

For FY2006, the Directors' attendances at Board and committee meetings are as follows:-

	No. of meetings attended expressed as a ratio of total no. of meetings held in FY2006			
Director	**Board Meetings**	**AC Meetings**	**NC Meetings**	**RC Meetings**
Philip Eng Heng Nee	15/15	6/6	2/2	3/3
Tong Choo Cherng	15/15	-	-	-
Chan Soo Sen (1)	2/3	0/1	0/0	1/1
David Ding Yew Mui (2)	12/13	5/5	2/2	2/2
Henry Tan Hor Thye (3)	8/8	-	2/2	-
Mah Kah On	15/15	6/6	2/2	3/3
Tham Khai Wor (4)	3/3	1/1	0/0	1/1

Notes:-

(1) Mr. Chan Soo Sen was appointed as a Director, chairman and member of the NC, member of the AC, as well as member of the RC with effect from 6 October 2006.

(2) Mr. David Ding Yew Mui ceased to be the chairman and member of the RC, member of the AC, as well as member of the NC upon his resignation as a Director with effect from 6 October 2006.

(3) Mr. Henry Tan Hor Thye ceased to be a member of the RC upon his retirement as a Director with effect from 31 May 2006.

(4) Mr. Than Khai Wor was appointed as Director, chairman and member of the RC, member of the AC, as well as member of the NC with effect from 6 October 2006.

Interested Person Transactions Policy

The Company has adopted an internal policy where all Interested Person Transactions will be documented and submitted at least quarterly (during each quarterly AC meeting) to the AC for its review to ensure that such transactions are carried out at arm's length basis and on normal commercial terms and are not prejudicial to the Company and its minority shareholders.

In the event that a member of the AC is deemed to have an interest in an Interested Person Transaction, he will abstain from reviewing that particular transaction.

Implementation of Whistle-Blowing Policy

The Company, have implemented a whistle-blowing policy by which staff of the Company may, in confidence, raise concerns about possible improprieties in financial or other matters and that arrangements are in place for independent investigation of such matters and for appropriate follow-up action.

5 April 2007

Report of the Directors

The Directors present their report together with the audited consolidated financial statements of the Group and balance sheet and statement of changes in equity of the company for the financial year ended December 31, 2006.

1 DIRECTORS

The directors of the company in office at the date of this report are:

Philip Eng Heng Nee	(Chairman of the Board of Directors)
Tong Choo Cherng	
Mah Kah On	
Chan Soo Sen	(Appointed on 6 October 2006)
Tham Khai Wor	(Appointed on 6 October 2006)

During the financial year and up to the date of this report, the following directors resigned as directors of the company:

Henry Tan Hor Thye	(Resigned on 31 May 2006)
David Ding Yew Mui	(Resigned on 6 October 2006)

2 AUDIT COMMITTEE

The Board of Directors has adopted the principles of corporate governance under the Best Practices Guide with regards to the audit committee.

The members of the Audit Committee at the date of this report are:

Mah Kah On	(Chairman of the Audit Committee)
Philip Eng Heng Nee	
Chan Soo Sen	(Member and independent non-executive director, appointed on 6 October 2006)
Tham Khai Wor	(Member and independent non-executive director, appointed on 6 October 2006)

Report of the Directors

During the financial year and up to the date of this report, the following member resigned from the Audit Committee:

David Ding Yew Mui (Resigned on 6 October 2006)

The Audit Committee performs the functions as set out in the Singapore Companies Act.

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate except for the options mentioned in paragraphs 4 and 6 of the Report of the Directors.

4 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act as follows:

	Shareholdings registered in name of director			Shareholdings in which directors are deemed to have an interest		
Name of directors and companies in which interests are held	At January 1, 2006	At December 31, 2006	At January 21, 2007	At January 1, 2006	At December 31, 2006	At January 21, 2007
mDR Limited - Ordinary shares						
Tong Choo Cherng	-	5,000,000	5,000,000	-	-	-
mDR Limited - Options granted						
Philip Eng Heng Nee	7,000,000	11,238,000	11,238,000	-	-	-
Tong Choo Cherng	1,335,000	1,716,428	1,716,428	-	-	-

Report of the Directors

5 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

6 SHARE OPTIONS

a) At the Extraordinary General Meeting held on January 13, 2003, the shareholders approved the adoption of the ACCS Share Option Scheme 2003. On June 7, 2006, the share option scheme was renamed as the mDR Share Option Scheme 2003 (the "2003 Scheme"). The share option scheme is administered by the Remuneration Committee, comprising the following:

Tham Khai Wor	(Appointed as Chairman of the Remuneration Committee on October 6, 2006)
Chan Soo Sen	(Appointed as member on October 6, 2006)
Mah Kah On	
Philip Eng Heng Nee	

During the financial year and up to the date of this report, the following member resigned from the Remuneration Committee:

David Ding Yew Mui (Resigned on October 6, 2006)

b) Each share option entitles the employees of the group and of its associated company(ies) to subscribe for one new ordinary share of $0.025 each in the company. The options are granted at a consideration of $1.00 paid by each option holder.

The 2003 Scheme will operate for a maximum period of 10 years commencing on January 13, 2003. Under the 2003 Scheme, share options may be granted to the employees of the group and its associated company(ies), if any, provided that the company has control over the associated company(ies). Control is defined as the capacity to dominate decision making in relation to the financial and operating policies of the company. Approval of the independent shareholders in separate resolutions is required for the participation by and the number and terms of options to be granted to participants who are controlling shareholders of the company or their associates.

Options that are granted may be at the market price ("Market Price Options") or may have exercise prices that are, at the Remuneration Committee's discretion, set at a discount to the market price of a share. The maximum discount cannot exceed 20%. In the event that options are issued at a discount, such options may be exercised only after the second anniversary from the date of the grant of the option.

Report of the Directors

If an option holder ceases to be in full time employment with the company or any of the companies within the group or its associated company(ies) for any reason whatsoever, the option holder may exercise any unexercised options within 1 month from the last date of employment with the relevant entity.

Market Price Options shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof) at any time after (12) twelve months of the date of grant of that option.

Options granted with an exercise price set at discount to market price shall only be exercisable by a participant, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof) at any time after twenty four (24) months from the date of grant of that option.

Provided always that options shall be exercised before the end of one hundred and twenty (120) months (or sixty (60) months where the participant is a non-Executive Director) of the date of grant of that option and subject to such other condition as may be introduced by the Remuneration Committee from time to time.

c) At the Extraordinary Meeting held on April 14, 2004, the shareholders approved the amendment of certain provisions of the 2003 Scheme to:

i) allow non-executive directors of the company to participate in the 2003 Scheme; and

ii) extend the size of the 2003 Scheme from 10% to 15% of the issued share capital of the company.

d) The share options granted and exercised during the financial year and share options outstanding as at December 31, 2006 under the 2003 Scheme were as follows:

	Number of share options							
Grant date	Balance at January 1, 2006	Reinstatement	Lapsed/ cancelled	Adjustments pursuant to rights issue *	Balance at December 31, 2006	Original subscription price $	Adjusted subscription price pursuant to rights issue $	Expiry date
September 17, 2003	1,664,000	-	(331,142)	402,849	1,735,707	0.400	0.3111	September 16, 2013
April 14, 2004	13,833,000	1,620,000	(5,171,136)	3,499,678	13,781,542	0.651	0.5063	April 13, 2014
September 22, 2005	7,000,000	-	-	4,238,000	11,238,000	0.155	0.1206	September 21, 2010
	22,497,000	1,620,000	(5,502,278)	8,140,527	26,755,249			

* This represents the additional options arising from the adjustment to the existing number of options held as at June 13, 2006 pursuant to the issue of renounceable underwritten rights issue during the year.

Report of the Directors

e) Options granted to directors of the company under the 2003 Scheme were as follows:

Name of director	Options granted during the financial year	Aggregate options granted since commencement of the Scheme to December 31, 2006	Aggregate options exercised since commencement of the Scheme to December 31, 2006	Aggregate options outstanding at December 31, 2006	Percentage of total number of options outstanding at December 31, 2006
Philip Eng Heng Nee	4,238,000	11,238,000	-	11,238,000	42%
Tong Choo Cherng	381,428	1,716,428	-	1,716,428	6%

f) During the financial year, except as disclosed in paragraph 6(e) above in respect of options granted to Philip Eng Heng Nee and Tong Choo Cherng, no employees received 5% or more of the total number of options available under the 2003 scheme. No shares were issued at a discount to the market price.

g) At the end of the financial year, there were no unissued shares of the subsidiaries under option.

7 AUDITORS

The auditors, Deloitte & Touche, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....
Philip Eng Heng Nee

....
Tong Choo Cherng

March 21, 2007

Statement of Directors

In the opinion of the directors, the consolidated financial statements of the group and the balance sheet and statement of changes in equity of the Company as set out on page 27 to page 88 of this Report are drawn up so as to give a true and fair view of the state of affairs of the group and of the company as at December 31, 2006, and of the results, changes in equity and cash flows of the group and changes in equity of the company for the financial year then ended and 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.

ON BEHALF OF THE DIRECTORS

....
Philip Eng Heng Nee

....
Tong Choo Cherng

March 21, 2007

Independent Auditors' Report

We have audited the accompanying financial statements of mDR Limited (formerly known as Accord Customer Care Solutions Limited) (the company) and its subsidiaries (the group) which comprise the balance sheets of the group and the company as at December 31, 2006, the profit and loss statement, statement of changes in equity and cash flow statement of the group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 27 to 88.

Directors' Responsibility

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards and the Singapore Companies Act, Cap. 50 (the "Act"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except for the matters described in the Basis for Qualified Opinion paragraphs, we conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report

Basis for Qualified Opinion

The matters described below were highlighted in our auditors' report on the financial statements for the year ended December 31, 2005 whereby we issued a qualified opinion:

a) Opening Balances

We were unable to satisfy ourselves about the opening balances brought forward from December 31, 2004 as we issued a disclaimer of opinion for the year ended December 31, 2004.

b) Commercial Affairs Department's proceedings

The outcome of the ongoing Commercial Affairs Department's ("CAD") proceedings may uncover other information which may require adjustments to be made to the financial statements.

c) Transactions between Intermediaries and the company

We were unable to satisfy ourselves as to the completeness of the disclosure of related party transactions and any other effects on the financial statements as the former executives of the company who had been subsequently charged by the CAD were still presiding over the affairs of the company during the first half of financial year 2005.

d) Overseas subsidiaries

We did not receive audit clearances from certain subsidiaries' auditors and the auditors of certain other subsidiaries expressed disclaimer of opinion for the year ended December 31, 2005.

As disclosed in Note 2(a) to the financial statements, in 2006 an overseas subsidiary discovered that there had been additional overstatement of revenue in 2004 and has adjusted the opening balances brought forward for the year ended December 31, 2005. In addition, the goodwill arising from the acquisition of an overseas subsidiary was also impaired and has been adjusted against the opening balances brought forward for the year ended December 31, 2005.

The opening balances affected by the matters described above were brought forward into the financial statements for the year ended December 31, 2006 and hence these matters may have effects on the 2006 financial statements.

As disclosed in Note 13 to the financial statements, the company has recovered $1.8 million from the Intermediaries. However, we are unable to satisfy ourselves as to the completeness of the disclosure of related party transactions and other financial effects, if any, on the financial statements.

As described in Note 12 to the financial statements, we have not received the audit clearance for certain subsidiaries for consolidation purposes as the respective auditors of those subsidiaries have not completed their audit as of the date of this report. Further adjustments or disclosures may have to be made to the accompanying financial statements upon completion of the audit of those subsidiaries. In addition, the auditors of certain subsidiaries expressed a disclaimer of opinion.

Independent Auditors' Report

Qualified Opinion

Except for the effects of such adjustments or disclosures, if any, on the accompanying financial statements, of the matters described in the Basis for Qualified Opinion paragraphs, in our opinion the consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at December 31, 2006 and of the results, changes in equity and cash flows of the group and the changes in equity of the company for the year ended on that date.

Opinion on accounting and other records

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

Deloitte & Touche
Certified Public Accountants

Singapore
March 21, 2007

Balance Sheets
December 31, 2006

	Note	Group 2006 $'000	Group 2005 $'000 (Restated)	Company 2006 $'000	Company 2005 $'000
ASSETS					
Current assets					
Cash and bank balances	7	14,320	16,685	3,395	1,838
Cash and bank balances pledged	7	98	5,448	-	5,448
Trade receivables	8	32,205	18,634	7,919	7,950
Other receivables and prepayments	9	6,587	16,564	17,015	45,131
Inventories	10	14,190	11,667	-	-
Total current assets		67,400	68,998	28,329	60,367
Non-current assets					
Investment in associates	11	14	14	-	-
Investment in subsidiaries	12	-	-	27,197	21,642
Advance payments for investments	13	1,951	2,487	1,951	2,487
Plant and equipment	14	7,468	13,963	942	2,027
Other investments	15	9,731	17,731	6,090	14,090
Goodwill on consolidation	16	12,174	6,508	-	-
Other goodwill	17	8,074	9,233	-	-
Total non-current assets		39,412	49,936	36,180	40,246
Total assets		106,812	118,934	64,509	100,613
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans and overdrafts	18	22,295	35,616	6,016	8,413
Trade payables	19	14,977	10,910	1,479	8,555
Other payables	20	45,574	42,484	33,485	51,935
Income tax payable		1,166	1,198	-	-
Current portion of finance leases	21	17	68	-	-
Current portion of long-term bank loans	23	-	508	-	-
Total current liabilities		84,029	90,784	40,980	68,903

Balance Sheets

December 31, 2006

	Note	Group 2006 $'000	Group 2005 $'000 (Restated)	Company 2006 $'000	Company 2005 $'000
Non-current liabilities					
Finance leases	21	191	212	-	-
Deferred tax liabilities	22	1,153	1,021	912	912
Long-term bank loans	23	-	324	-	-
Total non-current liabilities		1,344	1,557	912	912
Capital, reserves and minority interests					
Share capital	25	89,841	24,024	89,841	24,024
Share premium reserve		-	38,394	-	38,394
Capital redemption reserve		22	22	22	22
Share options reserve	26	3,166	2,716	3,166	2,716
Foreign currency translation reserve		1,204	(633)	-	-
Accumulated losses		(76,369)	(43,328)	(70,412)	(34,358)
Equity attributable to equity holders of the company		17,864	21,195	22,617	30,798
Minority interests		3,575	5,398	-	-
Total equity		21,439	26,593	22,617	30,798
Total liabilities and equity		106,812	118,934	64,509	100,613

See accompanying notes to financial statements.

Consolidated Profit and Loss Statement

Year ended December 31, 2006

	Note	Group 2006 $'000	Group 2005 $'000
Revenue	27	268,732	284,320
Cost of sales		(219,834)	(216,607)
Gross profit		48,898	67,713
Other operating income	28	7,391	7,068
Administrative expenses		(46,668)	(65,214)
Other operating expenses	29	(40,646)	(21,001)
Finance cost	30	(1,655)	(2,054)
Loss before income tax		(32,680)	(13,488)
Income tax expense	31	(206)	(500)
Loss for the year	32	(32,886)	(13,988)
Attributable to:			
Equity holders of the company		(33,041)	(9,946)
Minority interests		155	(4,042)
		(32,886)	(13,988)
Loss per share (cents):			
- Basic	33	(2.36)	(0.93)
- Diluted	33	(2.36)	(0.93)

See accompanying notes to financial statements.

Statements of Changes in Equity

Year ended December 31, 2006

	Share capital $'000	Share premium reserve $'000	Capital redemption reserve $'000	Share options reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Attributable to equity holders of the company $'000	Minority interests $'000	Total $'000
Group									
Balance at January 1, 2005, as previously reported	24,017	38,274	22	1,903	333	(24,777)	39,772	12,746	52,518
Prior year adjustments (Note 2a)	-	-	-	-	-	(8,605)	(8,605)	-	(8,605)
Balance at January 1, 2005 (Restated)	24,017	38,274	22	1,903	333	(33,382)	31,167	12,746	43,913
Net loss for the year	-	-	-	-	-	(9,946)	(9,946)	(4,042)	(13,988)
Exchange differences arising on translation of foreign operations	-	-	-	-	(966)	-	(966)	-	(966)
Total recognised income and expense for the year	-	-	-	-	(966)	(9,946)	(10,912)	(4,042)	(14,954)
Issue of shares on exercise of share options	7	120	-	-	-	-	127	-	127
Recognition of share-based payments (Note 26)	-	-	-	813	-	-	813	-	813
Effects of acquisition of interest in subsidiaries	-	-	-	-	-	-	-	(3,306)	(3,306)
Balance at December 31, 2005	24,024	38,394	22	2,716	(633)	(43,328)	21,195	5,398	26,593
Net loss for the year	-	-	-	-	-	(33,041)	(33,041)	155	(32,886)
Exchange differences arising on translation of foreign operations	-	-	-	-	1,837	-	1,837	-	1,837
Total recognised income and expense for the year	-	-	-	-	1,837	(33,041)	(31,204)	155	(31,049)
Issue of shares on rights issue (Note 25)	19,923	-	-	-	-	-	19,923	-	19,923
Issue of shares on acquisition of subsidiaries (Note 25)	7,500	-	-	-	-	-	7,500	-	7,500
Recognition of share-based payments (Note 26)	-	-	-	450	-	-	450	-	450
Effects of acquisition of interest in subsidiaries	-	-	-	-	-	-	-	(1,978)	(1,978)
Transfer from share premium reserve	38,394	(38,394)	-	-	-	-	-	-	-
Balance at December 31, 2006	89,841	-	22	3,166	1,204	(76,369)	17,864	3,575	21,439

Statements of Changes in Equity
Year ended December 31, 2006

	Share capital	Share premium reserve	Share options reserve	Capital redemption reserve	Accumulated losses	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Company						
Balance at January 1, 2005	24,017	38,274	1,903	22	(758)	63,458
Issue of shares on exercise of share options	7	120	-	-	-	127
Recognition of share-based payments (Note 26)	-	-	813	-	-	813
Net loss for the year	-	-	-	-	(33,600)	(33,600)
Balance at December 31, 2005	24,024	38,394	2,716	22	(34,358)	30,798
Issue of shares on rights issue	19,923	-	-	-	-	19,923
Issue of shares on acquisition of subsidiaries	7,500	-	-	-	-	7,500
Recognition of share-based payments (Note 26)	-	-	450	-	-	450
Transfer from share premium reserve	38,394	(38,394)	-	-	-	-
Net loss for the year	-	-	-	-	(36,054)	(36,054)
Balance at December 31, 2006	89,841	-	3,166	22	(70,412)	22,617

See accompanying notes to financial statements.

Consolidated Cash Flow Statement

Year ended December 31, 2006

	2006 $'000	2005 $'000
Operating activities		
Loss before income tax	(32,680)	(13,488)
Adjustments for:		
Depreciation expense	5,061	5,242
Interest expense	1,655	2,054
Interest income	(2,289)	(2,184)
Loss (Gain) on disposal of plant and equipment	5,529	(399)
Plant and equipment written off	-	4,119
Reversal of impairment of plant and equipment	(2,063)	(2,467)
Impairment of plant and equipment	71	799
Reversal of provision for impairment for advance payments for investments	(1,299)	-
Allowance for inventories	701	-
Allowance for other receivables	3,662	-
Impairment of other receivables	2,501	-
Share-based payments	450	813
Other goodwill written off	60	1,613
Impairment of other goodwill	1,100	-
Impairment of goodwill on consolidation	2,336	865
Impairment of other investments	8,000	857
Negative goodwill released to income	(601)	(4,371)
Provision for restructuring cost	5,948	-
Provisions (Note A)	-	(18,102)
Operating cash flows before movements in working capital	(1,858)	(24,649)
Trade receivables	(9,571)	3,422
Other receivables and prepayments	3,814	6,056
Inventories	(1,818)	3,522
Trade payables	1,725	(7,045)
Other payables	(7,241)	15,369
Cash used in operations	(14,949)	(3,325)
Income tax paid	(134)	(2,764)
Interest received	2,289	2,184
Net cash used in operating activities	(12,794)	(3,905)

Consolidated Cash Flow Statement

Year ended December 31, 2006

	2006 $'000	2005 $'000
Investing activities		
Acquisition of subsidiaries (Note 37)	(7,109)	-
Additional investment in subsidiaries	(664)	(3,878)
Proceeds from disposal of plant and equipment	-	4,325
Purchase of plant and equipment	(1,058)	(2,445)
Increase in investments/bonds in associate - net	-	(8,347)
Advance payments for investments	-	(7,055)
Advance payments for investments recovered	536	-
Provisions (Note A)	-	10,284
Net cash used in investing activities	(8,295)	(7,116)
Financing activities		
Interest paid	(1,655)	(2,054)
Repayment of bank loans	(11,207)	(17,123)
Proceeds from issue of shares	27,423	127
Repayment of finance leases	(72)	(381)
Repayment of cash pledged (Note B)	5,350	3,197
Net cash from (used in) financing activities	19,839	(16,234)
Net decrease in cash and cash equivalents	(1,250)	(27,255)
Cash and cash equivalents at beginning of year	5,071	33,338
Effect of foreign exchange rate changes	1,831	(1,012)
Cash and cash equivalents at end of financial year (Note B)	5,652	5,071

Notes to the consolidated cash flow statements

A. Provisions:

	2006 $'000	2005 $'000
Total (reversal of) provision and write-offs [Note 2]	-	(7,818)
Shown as adjustments to:		
Cash flow used in operations	-	(18,102)
Cash flow used in investing activities *	-	10,284
	-	(7,818)

* In 2005, these represented provision for advance payments for investment [Note 2(G)], investment in associate [Note 2(F)], goodwill on consolidation [Note 2(H)] and other investment [Note 2(J)].

B. Cash and cash equivalents at end of financial year:

	2006 $'000	2005 $'000
Cash	14,418	22,133
Bank overdrafts	(8,668)	(11,614)
Less: Cash pledged (Note 7)	(98)	(5,448)
Net	5,652	5,071

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 2006

1 GENERAL AND GOING CONCERN ASSUMPTION

a) The company (Registration No. 200009059G) is incorporated in the Republic of Singapore with its registered office and principal place of business at 20 Toh Guan Road #07-00 CJ GLS Building, Singapore 608839. The company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The financial statements are expressed in Singapore dollars.

b) The principal activities of the company are the provision of after-market services for mobile communication devices and investment holding. Provision of after-market services comprise repair management, technical services management, customer relationship management, administrative management and other value added services which include sale of accessories, merchandise and e-distribution and mobile clinic management.

c) The principal activities of the associates and subsidiaries are described in Notes 11 and 12 to the financial statements respectively.

d) The group incurred losses of $32,886,000 (2005:$13,988,000) for the financial year ended December 31, 2006. As at December 31, 2006, the group's current liabilities exceeded their current assets by $16,629,000 (2005:$21,786,000) . Nevertheless, the directors of the company are of the view that it is appropriate for the financial statements of the company and the group to be prepared on a going concern basis. After reviewing the business plans and cash flow forecasts of the company and the group prepared by management, the directors believe that the company and the group are able to continue as a going concern in the foreseeable future and will be able to realise their assets and discharge their liabilities in the normal course of business, as:

   i) the directors of the company are evaluating various strategies to improve the operating performance and financial position of the company and the group.

   ii) the directors of the company are of the view that the lenders will continue to provide the credit facilities to the group at the current outstanding level and that the current facilities already utilised is adequate for the current operations of the group.

e) The consolidated financial statements of the group and balance sheet and statement of changes in equity of the company for the year ended December 31, 2006 were authorised for issue by the Board of Directors on March 21, 2007.

Notes to Financial Statements
December 31, 2006

2 INVESTIGATIONS AND ADJUSTMENTS TO FINANCIAL STATEMENTS

Matters raised in 2005 and updates in 2006

a) On December 12, 2005, the company announced that the independent investigator has issued the final written reports in relation to the investigations into the overstatement of revenue from one contract with a specific customer and refurbishment income has concluded and that the effects of the overstatement of revenue from one contract with a specific customer is not material and refurbishment business is largely consistent with those reported in the financial statements for the financial year ended December 31, 2004.

In 2006, the company further discovered that there had been an overstatement of group revenue of approximately $3.9 million and an underprovision of impairment of $4.7 million for the financial year ended December 31, 2004. As a result, the group has adjusted the opening accumulated losses brought forward for the financial year ended December 31, 2005.

b) To the directors' best knowledge and belief, the Commercial Affairs Department ("CAD") proceedings against the former executives arising from their investigations into the affairs of the company have been completed and no futher information was uncovered to require adjustments to be made to the financial statements.

c) In 2005, the group has reassessed the provisions, write-offs and adjustments made in 2004. Based on available information as at year-end and up to the date of this report, the group has made certain reversals of provisions and adjustments as follows:

	Adjustments and Provisions	
	Group 2005 $'000	Company 2005 $'000
REVENUE		
Revenue for the year previously announced	284,320	1,948
NET LOSS		
Net loss for the year attributable to equity holders of the company	(9,946)	(23,600)
Writeback of provisions and adjustments (Additional provisions, write off and adjustments)	7,818	3,250
Total adjustments	7,818	3,250

Notes to Financial Statements
December 31, 2006

	Note	Adjustments and Provisions Group 2005 $'000	Adjustments and Provisions Company 2005 $'000
BALANCE SHEET ITEMS			
(Writeback of provisions and adjustments) Provisions on and write-off of assets made through reversal of invalid income and balance sheet items:			
- Trade receivables written-off	A	(6,916)	(644)
- Commission receivable written-off	B	(2,597)	-
- Other receivables	C	(769)	(769)
- Due from subsidiaries	D	-	(17,769)
- Investment in subsidiaries	E	-	3,886
- Investment in associates	F	3,347	3,347
- Advance payments for investments	G	4,568	4,568
- Goodwill on consolidation	H	1,915	-
- Provision for liabilities	I	(8,067)	-
- Other investment	J	454	3,884
		(8,065)	(3,497)
Provisions on assets, write-off of assets and other adjustments charged (credited) to profit and loss statement:			
- Provision for other liabilities	K	247	247
Total (reversal of provisions and other adjustments) provisions and write-off		(7,818)	(3,250)

The above adjustments and write-off are shown as adjustments to:

	Group 2005 $'000
Other operating expenses	
- Reversal of provisions and other adjustments (additional provisions, write-off and other adjustments)	7,818

Notes to Financial Statements
December 31, 2006

Notes to adjustments and provisions

A) Refurbishment income. In 2005, the group recorded cash receipts for trade receivables written-off due to reversal of overstatement of revenue from the refurbishment business in 2004 amounting to $6,916,000. These cash receipts were initially recorded as liabilities and subsequently utilised for the provision for advance payments for investments.

B) Commission income. In 2005, the group recorded cash receipts for trade receivables written-off due to reversal of invalid commission income of $2,597,000. Management has assessed that the initially recorded liabilities arising from the cash receipts is not required, and has reversed the amount to the profit and loss statement at year-end.

C) Other receivables. This comprised the following:
   i) Write back of provision for retention sum receivable made in 2004 from the buyer on partial disposal of a subsidiary amounting to $3,250,000 to the profit and loss statement; and
   ii) Provision for accrued interest for investment in unquoted bonds of $2,481,000 via the transfer of liabilities arising from cash receipts for trade receivables written-off due to reversal of overstatement of revenue from the refurbishment business in 2004 (Note 2D).

D) Due from subsidiaries. This comprised the following:
   i) Reversal of intercompany balances due to transfer of liabilities arising from cash receipts for trade receivables written-off due to reversal of overstatement of revenue from the refurbishment business in 2004 amounting to $6,272,000; and
   ii) Transfer of provision for liabilities made in 2004 for the balance of invalid net income related to the refurbishment business to provide for invalid payments, invalid assets or unrecorded liabilities of $8,067,000 and provision for impairment in other unquoted investment no longer required of $3,430,000.

   The total reversal of intercompany balances amounting to $17,769,000 were utilised for the following:
   a) Provision for accrued interest for investment in unquoted bonds of $2,481,000 (Note 2C);
   b) Provision for impairment against the company's investment in subsidiaries amounting to $3,886,000 (Note 2E);
   c) Provision for investment in an associate, Tri-Max Pte Ltd, of $3,347,000 (Note 2F);
   d) Provision for impairment in advance payments for investments amounting to $4,568,000 (Note 2G);
   e) Provision for impairment in other investments relating to unquoted redeemable convertible bonds in Ventures Management Solutions Pte. Ltd. ("VMS") amounting to $3,240,000 (Note 2J); and
   f) Provision for other liabilities of $247,000 for additional legal and professional fees relating to the investigations conducted by the company (Note 2K).

E) Investment in Subsidiaries. This related to provision against the company's investment in Accord Customer Care Solutions Philippines Inc., Accord Customer Care Solutions (Korea) Co., Ltd, Accord Customer Care Solutions (Taiwan) Corp, P.T. Accord Customer Care Solutions and Accord Customer Care Solutions (Vietnam) Limited. The provision was made via transfer of the provision for liabilities from subsidiaries (Note 2D).

Notes to Financial Statements
December 31, 2006

F) Investment in associates. This related to additional provision for impairment in an associate, Tri-max Pte Ltd, of $3,347,000 due to inconsistency between the names of payee in the paid cheques and in the accounting records and inconsistency between the details in the investment agreements and in the accounting records. The provision was made via transfer of the provision of liabilities from subsidiaries (Note 2D).

G) Advance payments for investments. This related to the provision for advance payments paid to a vendor for equity stakes in an investee company during the year via transfer of liabilities from a subsidiary relating to cash receipts for trade receivables written-off due to reversal of overstatement of revenue from refurbishment business (Notes 2A and 2D).

H) Goodwill on consolidation. This related to provision for impairment of goodwill in Accord Customer Care Solutions (Taiwan) Corp via the transfer of the provision for liabilities from subsidiaries (Note 2D).

I) Provision for liabilities. In 2005, management had determined that the provision for liabilities was no longer required, and transferred the provision to the company which was utilised for the provision for impairment in other receivables, investment in an associate, investment in subsidiaries, advance payments for investments, other investments and provision for other liabilities (Note 2D).

J) Other investment. This comprised the following:
   i) Transfer of provision for impairment on other unquoted investments no longer required to provision for liabilities of $3,430,000 ; and
   ii) Provision for additional impairment on other investments relating to unquoted redeemable convertible bonds in VMS of $3,884,000 (Note 2D).

K) Provision for other liabilities. This related to the provision for other liabilities for legal and professional fees relating to investigations conducted by the company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the group has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) issued by the Council on Corporate Disclosure and Governance that are relevant to its operations and effective for annual periods beginning on or after January 1, 2006. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the group’s and company’s accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below and in the notes to financial statements.

Notes to Financial Statements

December 31, 2006

Amendments to FRS 39 relating to financial guarantee contracts

The amendments require certain financial guarantee contracts to be recognised in accordance with FRS 39 and measured initially at fair values, and subsequently at the higher of the amount recognised as a provision and the amount initially recognised less cumulative amortisation. mDR Limited is a party to a financial guarantee contract where it has provided a financial guarantee to a bank in respect of an entity external to the group. The company also provides a financial guarantee to a bank in respect of loans borrowed by certain subsidiaries.

The changes introduced by the above amendments to FRS 39 are applied by the company and the group with effect from the beginning of the comparative reporting period presented in the financial statements (i.e., with effect from January 1, 2005) and had no significant impact to the financial statements.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS were issued but not effective:

FRS 107	-	Financial Instruments: Disclosures
FRS 108	-	Operating Segment
INT FRS 107	-	Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies
INT FRS 108	-	Scope of FRS 102
INT FRS 110	-	Interim Financial Reporting and Impairment
INT FRS 111	-	FRS 102 - Group and Treasury Share Transactions

Amendments to FRS 1 Presentation of Financial Statements on Capital Disclosures

Consequential amendments were also made to various standards as a result of these new/revised standards.

The application of FRS 107 and the consequential amendments to other FRS will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently made in relation to the company and group's financial instruments and the objectives, policies and processes for managing capital.

Other than FRS 107, the directors anticipate that the adoption of the above FRSs and INT FRSs in future periods will have no material impact on the financial statements of the company and of the group in the period of their initial adoption.

Notes to Financial Statements

December 31, 2006

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

In the company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

BUSINESS COMBINATIONS - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the consolidated profit and loss statement.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Notes to Financial Statements
December 31, 2006

FINANCIAL INSTRUMENT - Financial assets and financial liabilities are recognised on the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

Financial assets

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "receivables". Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Other investments and advance payments for investments

Investment in unquoted bonds, unquoted equity shares and advance payments for investments are measured at amortised cost, less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and fixed deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Notes to Financial Statements

December 31, 2006

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit and loss statement to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs are recognised in the profit and loss statement in the period in which they are incurred.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method with interest expense recognised on an effective yield basis.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Notes to Financial Statements
December 31, 2006

The group as lessee

Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

INVENTORIES – Inventories consist principally of handphone spare parts, accessories and handphone sets that are stated at the lower of cost (determined on a first-on, first-out basis) and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PLANT AND EQUIPMENT – Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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 $33^1/_3$%
Plant and equipment	-	10% to 20%
Motor vehicles	-	18% to $33^1/_3$%
Furniture, fittings and renovations	-	20% to $33^1/_3$% (2005:10% to $33^1/_3$%)

With effect from January 1, 2006, the depreciation rates of furniture, fittings and renovations were revised to more accurately reflect the economic useful lives of those assets. The change in accounting estimate increased depreciation expenses by $1,676,000 in the current year.

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

Assets held under finance leases 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.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit and loss statement.

Notes to Financial Statements
December 31, 2006

GOODWILL - Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

IMPAIRMENT OF ASSETS EXCLUDING GOODWILL - At each balance sheet date, the group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement.

Notes to Financial Statements
December 31, 2006

ASSOCIATES - An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate) are not recognised, unless the group has incurred a legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated profit and loss statement.

Where a group entity transacts with an associate of the group, profits and losses are eliminated to the extent of the group's interest in the relevant associate.

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 the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

SHARE-BASED PAYMENTS - The group issues equity-settled payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferrability, exercise restrictions, behavioural considerations and the effects arising from the restatement and adjustments to the group's and company's financial statements.

Notes to Financial Statements
December 31, 2006

GOVERNMENT GRANTS - Government grants relating to expenditures which are not capitalised are credited to the profit and loss statement as and when the underlying expenses are included and taken to the profit and loss statement to match such related expenditure.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from rendering of after-market services, including retrofit services and repair management fee services is recognised when the services are completed.

Revenue from rendering of distribution management services is recognised when the services are completed.

Retrofit income is recognised when the services are completed.

Other management fees are recognised when services are rendered.

Management and corporate advisory fees are recognised when services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income

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

Notes to Financial Statements
December 31, 2006

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. 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.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the company and subsidiaries operate by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the profit and loss statement.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company are presented in Singapore dollars, which is the functional currency of the company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the entity's accounting policies

In the process of applying the entity's accounting policies, which are described in Note 3, management is of the opinion that any instances of application of judgements (other than those arising from estimates discussed below) are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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Impairment of goodwill on consolidation

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was $12.2 million (2005 : $6.5 million) after an additional impairment loss of $Nil (2005 : $1.92 million) was recognised during the year. Details of the impairment loss calculation are provided in Note 16 to the financial statements.

Impairment of unquoted redeemable convertible bonds in related party

During the year, the management reconsidered the recoverability of its investment in unquoted redeemable convertible bonds in a related party which has been included in its balance sheet as at December 31, 2006 at $6.09 million (2005 : $14.09 million) after an additional impairment loss of $8 million (2005 : $4.74 million) was recognised during the year.

The management is confident that the carrying amount of the bonds will be substantially recovered based on assets that have been assessed as recoverable and the latest market value of the quoted investments held by Ventures Management Solutions Pte. Ltd. and its subsidiary (Note 15). Adjustment will be made in future periods in the event that there is objective evidence of impairment resulting from future loss events.

Recoverability of advance payments for investments and other receivables

During the year, the management reconsidered the recoverability of retention receivables on partial disposal of subsidiary in 2004 and certain advance payments for investments which has been included in its balance sheet as at December 31, 2006 at $2.75 million and $1.95 million, respectively (2005 : $3.25 million and $2.49 million, respectively) after consideration of payments during the year (Notes 9 and 13).

The management is confident that the carrying amount of the above will be substantially recovered from the realisation of investments and assets held by the respective parties. Adjustment will be made in future periods in the event that there is objective evidence of impairment resulting from future loss events.

The management also considered the recoverability of other receivables due from certain subsidiaries included in the balance sheet of the company as at December 31, 2006, and made an additional provision for doubtful other receivables of $20.8 million (2005 : $30.4 million) (Note 9).

5 FINANCIAL RISKS AND MANAGEMENT

a) Foreign exchange risk

The group transacts business in various foreign currencies, including Euro and US dollars, and therefore is exposed to foreign exchange risk. This risk is managed through natural hedges as revenue and sales denominated in foreign currency are partly matched with corresponding costs in the same foreign currency.

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b) Interest rate risk

The group's policy is to maintain cash equivalents and borrowings in fixed rate instruments.

Interest-bearing financial assets are mainly bank balances and fixed deposits which are all short-term in nature. Interest-bearing financial liabilities are mainly bank overdrafts, finance leases and bank loans. The interest rates are disclosed in the notes to the financial statements.

c) Credit risk

The group performs ongoing credit evaluation of its customers' financial condition and generally does not require collateral. This evaluation includes assessing and valuation of customers' credit reliability and periodic review of their financial status to determine credit limits to be granted.

The maximum exposure to credit risk in the event that the counter parties fail to perform their obligations as at the end of the financial period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the balance sheet. The group does not have any significant concentration of credit risk.

Cash and fixed deposits are held with creditworthy financial institutions.

d) Liquidity risk

As described in Note 1(d) to the financial statements, the directors are of the view that the group will be able to pay its obligations as and when they fall due.

e) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities and amounts payable approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to the financial statements.

6 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with related parties are unsecured, interest-free and repayable on demand.

Notes to Financial Statements
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During the year, group entities entered into the following trading transactions with related parties:

	Group	
	2006	2005
	$'000	$'000
Nature of transactions		
Companies with common directors:		
Bond interest income	(2,001)	(1,985)
Rental expense on premises	-	824
Freight expense	-	35
Information technology service expenses	75	253
Purchase of plant and equipment on behalf of the company-	3	
Purchase of plant and equipment on behalf by the company	134	-
Payments on behalf of the company	-	1,668
Expenses paid on behalf of the company	329	181
Expenses paid on behalf by the company	-	(83)

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2006	2005
	$'000	$'000
Short-term benefits	1,275	1,478
Post-employment benefits	17	144
Share-based payments	224	123

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

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7 CASH AND BANK BALANCES

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Cash and bank balances	11,687	16,623	2,092	3,422
Fixed deposits	2,731	5,510	1,303	3,864
	14,418	22,133	3,395	7,286
Shown as:				
Cash not pledged	14,320	16,685	3,395	1,838
Cash pledged	98	5,448	-	5,448
	14,418	22,133	3,395	7,286

Bank balances and cash comprise cash held by the group and short-term bank deposits with an original maturity of six months or less. The carrying amounts of these assets approximate their fair values.

Fixed deposits bear interest at an average rate of 2.35% (2005 : 1.81%) per annum and for a tenure of approximately 1 to 184 days (2005 : 7 to 182 days). Cash and bank balances are pledged with a bank by a subsidiary for a credit line in 2006 and in connection with credit facilities granted by certain banks in 2005 (Note 18).

The group and company's cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
United States dollars	535	757	416	292
EURO	328	44	318	44
Singapore dollars	-	7,663	-	-

Notes to Financial Statements

December 31, 2006

8 TRADE RECEIVABLES

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000 (Restated)	$'000	$'000
Outside parties	34,357	20,711	1,681	1,862
Subsidiaries (Note 12)	-	-	6,523	5,952
Related parties (Note 6)	-	274	-	176
	34,357	20,985	8,204	7,990
Less allowances for doubtful trade receivables – outside parties	(2,152)	(2,351)	(285)	(40)
	32,205	18,634	7,919	7,950

Movement in allowances (Note a):

	Group 2006	Group 2005	Company 2006	Company 2005
At beginning of year	2,351	957	40	86
Charge to profit and loss (Note b)	268	1,440	248	-
Written off during the year	(435)	-	(3)	-
Reversal to profit and loss	(32)	(46)	-	(46)
At end of year	2,152	2,351	285	40

Movement in provision for impairment/write-off:

	Group 2006	Group 2005	Company 2006	Company 2005
At beginning of year	-	6,916	-	644
Reclassification to provision for liabilities [Note 2(D)]	-	(6,916)	-	(644)
At end of year	-	-	-	-

a) This allowance has been determined by reference to past default experience.

b) The auditors of a subsidiary expressed a disclaimer of opinion due to limitation of scope on the allowance for doubtful trade receivables amounting to $158,000 charged to the profit and loss statement in the previous year as they were not able to obtain reliable financial information.

The group and company's trade receivables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
United States dollars	5,968	2,442	398	452
EURO	971	856	887	161
Singapore dollars	-	2,534	-	-

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9 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Accrued interest receivable	4,482	2,481	4,482	2,481
Deposits	2,069	3,847	167	154
Retention receivable on partial disposal of subsidiary	4,000	4,000	4,000	4,000
Prepayments	592	782	82	55
Recoverables	2,517	1,356	1,396	1,310
Staff advances	23	177	-	-
	13,683	12,643	10,127	8,000
Related party – deposit for purchase of investment	649	649	-	-
Associates (Note 11)	3,399	4,620	-	-
Related parties (Note 6)	4,936	8,564	1,385	6,444
Due from minority shareholders of a subsidiary	234	239	-	-
Subsidiaries (Note 12)	-	-	62,496	64,270
	22,901	26,715	74,008	78,714
Less allowances for doubtful other receivables – subsidiaries	-	-	(51,150)	(30,352)
– outside parties	(3,662)	-	(111)	-
	19,239	26,715	22,747	48,362
Provision for impairment	(12,652)	(10,151)	(5,732)	(3,231)
	6,587	16,564	17,015	45,131

Movement in allowance:

	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
At beginning of year	-	-	30,352	-
Charge to profit and loss	3,662	-	20,909	30,352
At end of year	3,662	-	51,261	30,352

Movement in provision for impairment:

	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
At beginning of year	10,151	10,920	3,231	4,000
Charge to profit and loss	2,501	-	2,501	-
Reversal [Note 2(C)]	-	(3,250)	-	(3,250)
Transfer from provision for liabilities [Note 2(C)]	-	2,481	-	2,481
At end of year	12,652	10,151	5,732	3,231

The amounts due from associates are unsecured, interest free and repayable on demand.

Notes to Financial Statements
December 31, 2006

The group and company's other receivables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
United States dollars	609	618	488	113
Singapore dollars	-	77	-	-
Australian dollars	-	-	1,646	-
Euro	-	-	113	-
United Arab Emirates Dirham	-	-	94	-

10 INVENTORIES

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Spare parts, accessories and consumables, carried at net realisable value after the following allowances and provision for impairment	14,190	11,667	-	-

Movement in allowances:

At beginning of year	3,140	41	-	-
Charge to profit and loss	701	3,333	-	-
Written off during the year	(1,260)	(234)	-	-
At end of year	2,581	3,140	-	-

Movement in provision for impairment:

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Balance at beginning of year	977	3,734	-	-
Written off during the year	(707)	(2,757)	-	-
Balance at end of year	270	977	-	-

The auditors of certain subsidiaries have expressed disclaimer of opinion in 2005 due to audit scope limitation relating to their audit of allowance for inventory, amounting to $558,180 due to lack of supporting documentary evidence to determine whether the allowances are appropriate.

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11 INVESTMENT IN ASSOCIATES

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Unquoted equity shares, at cost	9,278	9,278	6,680	6,680
Share of post-acquisition reserves	(28)	(28)	-	-
Provision for impairment	(9,236)	(9,236)	(6,680)	(6,680)
Net	14	14	-	-

Movement in provision for impairment:

	Group		Company	
	2006	2005	2006	2005
At beginning of year	9,236	4,056	6,680	1,500
Transfer from				
- Provision for liabilities [Note 2(F)]	-	3,347	-	3,347
- Provision on advance payments for investments [Note 13]	-	3,333	-	3,333
Reclassification to other investments [Note 15]	-	(1,500)	-	(1,500)
At end of year	9,236	9,236	6,680	6,680

Details of the associates are as follows:

Associates	Cost of investment		Proportion of ownership interest and voting power held		Principal activities/ Country of incorporation and operations
	2006	2005	2006	2005	
	$'000	$'000	%	%	
Held by company:					
Tri-max Pte Ltd (1)	6,680	6,680	50	50	Investment holding/ Singapore
Sub-total - company	6,680	6,680			
Held by subsidiaries:					
Bao Ding Jin Hong Jing Telecommunication & Technology Co. Ltd (2)	18	18	30	30	Repair and maintenance of mobile phone/ People's Republic of China
Ji Nan Jin Hong Jing Telecommunication & Technology Co., Ltd (2)	14	14	25	25	Repair and maintenance of mobile phone/ People's Republic of China

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Associates	Cost of investment		Proportion of ownership interest and voting power held		Principal activities/ Country of incorporation and operations
	2006 $'000	2005 $'000	2006 %	2005 %	
Qing Dao Jin Hong Jing Telecommunication & Technology Co., Ltd. (2)	10	10	14.28	14.28	Repair and maintenance of mobile phone/ People's Republic of China
Distribution Management Solutions (Hong Kong) Co. Limited (3)	2,556	2,556	50	50	Provision of logistic services/ Hong Kong
Sub-total – Subsidiaries	2,598	2,598			
Total - Group	9,278	9,278			

Notes on auditors of associates:

(1) S.S Gan & Co., Singapore

(2) Moores Rowland, Singapore.

(3) The associate is not audited.

12 INVESTMENT IN SUBSIDIARIES

	Company	
	2006 $'000	2005 $'000
Unquoted equity shares, at cost	41,107	33,095
Provision for impairment	(13,910)	(11,453)
	27,197	21,642

Movement in provision for impairment:

	2006 $'000	2005 $'000
Balance at beginning of year	11,453	7,567
Transfer from provision for liabilities [Note 2(E)]	-	3,886
Current year provision	2,853	-
Written off during the year	(396)	-
Balance at end of year	13,910	11,453

Notes to Financial Statements
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During the year, the company carried out a review of the recoverable amounts of its investment in subsidiaries. The review led to the recognition of an impairment loss of $2,853,000 mainly determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the specific risks. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The company prepares cash flow forecast derived from the most recent financial budgets approved by management for the next 1 year and extrapolates cash flows for the following 4 years based on estimated growth rates of 2% to 25%. These rates do not exceed the average long-term growth rate of the relevant markets.

The rates used to discount the forecast cash flows range from 7.33% to 13%.

The principal activities of the subsidiaries are the provision of after-market services except for Distribution Management Solutions Limited, whose principal activities are the provision of distribution management solutions for mobile communication devices and high-tech consumer products, investment holding and retailing of consumer electronic products.

Details of the subsidiaries are as follows:

Subsidiaries	Cost of investment		Proportion of ownership interest and voting power held		Country of incorporation and operations
	2006	2005	2006	2005	
	$'000	$'000	%	%	
Accord Customer Care Solutions (Asia) Limited (12)	66	66	100	100	Hong Kong
mDRL (M) Sdn. Bhd. [formerly known as Accord Customer Care Solutions (M) Sdn. Bhd.] (1a) **	340	340	100	100	Malaysia
Accord Customer Care Solutions (Taiwan) Corp (1b)	2,965	2,965	100	100	Taiwan
Accord Customer Care Solutions Philippines, Inc. (1c) **	125	125	100	100	Philippines
Accord Customer Care Solutions (Korea) Co., Ltd (14)	-	248	-	100	South Korea
Accord Customer Care Solutions International Limited (2)	(a)	(a)	100	100	British Virgin Islands

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Subsidiaries	Cost of investment 2006 $'000	Cost of investment 2005 $'000	Proportion of ownership interest and voting power held 2006 %	Proportion of ownership interest and voting power held 2005 %	Country of incorporation and operations
Accord Customer Care Solutions Japan KK (14)	-	148	-	100	Japan
Accord Customer Care Solutions FZCO (3) **	243	243	100	100	United Arab Emirates
Accord Customer Care Solutions (Vietnam) Limited (4)	177	177	100	100	Vietnam
Accord Customer Care Solutions India Pvt Ltd (5)	4	4	100	100	India
Accord Customer Care Solutions (Aust) Pty Ltd (6)	6,390	6,390	100	100	Australia
After Market Solutions (CE) Pte Ltd (8)	(a)	(a)	100	100	Singapore
Broadmax Services Limited (2)	6,778	6,778	70	70	British Virgin Islands
Distribution Management Solutions Limited (8)	9,324	8,416	67	50	Singapore
Information Management Solutions Pte Ltd (15) *	1,000	1,000	-	100	Singapore
PT. AccordExpress Customer Care Solutions (9)	198	198	100	100	Indonesia
P.T. Accord Customer Care Solutions (9)	5,997	5,997	75	75	Indonesia
mDR (S) Pte Ltd [formerly known as Semitech Mobility Solutions Pte Ltd] (8)	6,394	-	100	-	Singapore
mDR (M) Sdn. Bhd. [formerly known as SEM Technology Sdn Bhd] (11)	828	-	100	-	Malaysia
mDR (HK) Limited [formerly known as Semitech Electronics (HK) Limited] (12)	278	-	100	-	Hong Kong
	41,107	33,095			

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Subsidiaries	Proportion of ownership interest and voting power held 2006 %	2005 %	Country of incorporation and operations
Subsidiary of Broadmax Services Limited			
Ucom Technologies Pvt Ltd (5)	100	100	India
Subsidiary of After Market Solutions (CE) Pte Ltd			
After Market Solutions (CE) Sdn. Bhd. (1a) **	100	100	Malaysia
Subsidiaries of Accord Customer Care Solutions (Asia) Limited			
Accord Customer Care Solutions PRC Limited (10)	100	100	British Virgin Islands
Accord Customer Care Solutions (Suzhou) Co., Ltd (10)	100	100	People's Republic of China
Accord (Tianjin) Electronics Co., Ltd (10)	100	100	People's Republic of China
Shanghai ACCS Forte Science & Technology Co., Ltd (10)	51	51	People's Republic of China
Subsidiaries of Accord Customer Care Solution PRC Limited			
Beijing Jin Hong Jing Telecommunication & Technology Co., Ltd (10)	100	100	People's Republic of China
Cheng De Jin Hong Jing Telecommunication & Technology Co., Ltd (10)	-	51	People's Republic of China

Notes to Financial Statements
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Subsidiaries	Proportion of ownership interest and voting power held 2006 %	2005 %	Country of incorporation and operations
Guangzhou Jacson Telecom Co., Ltd *	-	100	People's Republic of China
Tang Shan Jin Jie Tong Telecommunication & Technology Co., Ltd (10)	51	51	People's Republic of China
Tian Jin Shi Jin Hong Jing Telecommunication & Technology Co., Ltd (10)	100	90	People's Republic of China
Zhang Jia Kou Jin Hong Jing Telecommunication & Technology Co., Ltd (10)	90	80	People's Republic of China
Subsidiaries of Distribution Management Solutions Pte Ltd			
A-Club Mobile Pte. Ltd (8)	67	50	Singapore
A-Mobile Pte. Ltd. (8)	67	50	Singapore
iDistribution Pte. Ltd. (8)	67	50	Singapore
Menel Pte. Ltd (8)	67	50	Singapore
Pacific Cellular International Limited (2)	60	45	British Virgin Islands
Pacific Cellular (Thailand) Limited *	60	45	Thailand
PC (Singapore) Pte. Ltd (8)	67	50	Singapore
Super Mobile Pte. Ltd (8)	67	50	Singapore

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Subsidiaries	Proportion of ownership interest and voting power held 2006 %	2005 %	Country of incorporation and operations
Subsidiaries of Accord Customer Care Solutions (Aust) Pty Ltd			
Accord Customer Care Solutions (Network) Pty Ltd (6)	100	100	Australia
Accord Customer Care Solutions (NSW) Pty Ltd (6)	100	100	Australia
Accord Customer Care Solutions (SA) Pty Ltd (6)	100	100	Australia
Accord Customer Care Solutions (VIC) Pty Ltd (6)	100	100	Australia
Accord Customer Care Solutions (W.A.) Pty Ltd (6)	100	100	Australia
Accord Customer Care Solutions (QLD) Pty Ltd (6)	100	100	Australia
MSI Pty Ltd (6)	100	100	Australia
Accord Customer Care Solutions Pty Ltd (6)	100	100	Australia
First Mobile FZCO (Dubai) (14)	-	100	United Arab Emirates
Mobile phone repair.com NZ Limited *, **	100	65	New Zealand
Accord CCS Thailand Co., Ltd (7)	100	100	Thailand

Notes on cost

(a) Less than $1,000.

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Auditors of subsidiaries for 2006:

(1) Member firms of Deloitte Touche Tohmatsu, of which Deloitte & Touche, Singapore is a member:

a) Deloitte KassimChan, Malaysia
b) Deloitte & Touche, Taiwan
c) C. L. Manabat & Co., Philippines

(2) Deloitte & Touche, Singapore for consolidation purposes only and no audit reports issued. Not required to be audited in country of incorporation.

(3) Talal Abu-Ghazaleh & Co.

(4) ABB Viet Nam Ltd, Vietnam.

(5) Vikas Bhatnagar & Co.

(6) Ernst & Young.

(7) Amnuayporn Accounting Office Co., Ltd.

(8) Deloitte & Touche, Singapore.

(9) Drs Johan, Malonda & Partners (a member of Nexia International)

(10) Moores Rowland, Singapore.

(11) Moores Rowland, Malaysia.

(12) Moores Rowland Mazars, Hong Kong.

(13) MobilefoneRepair.com NZ Limited has amalgamated its operations with Accord Customer Care Solutions (NZ) Ltd with effect from January 1, 2005.

(14) These subsidiaries have been liquidated.

(15) These subsidiaries have commenced liquidation proceedings during the year.

* Management accounts used for consolidation purposes.

** As of the date of this report, the auditors of these subsidiaries have not provided the required audit clearance and relevant reporting documents to the company's auditors for the purpose of consolidation of the group's results. Further adjustments or disclosures may have to be made to the accompanying financial statements upon completion of the audit for the respective subsidiaries.

Notes on subsidiaries

(a) Accord Customer Care Solutions (Aust) Pty Ltd ("ACCSA")

i) In 2004, the company's interest in ACCSA was reduced from 100% to 50%. Under the sale and purchase agreement entered with the Buyer and the Buyer's Guarantor dated December 16, 2004, the company sold 50% equity interest in ACCSA to the Buyer. The consideration was payable as follows : (i) $4,240,000 in cash within 30 days, (ii) $5,000,000 in redeemable convertible bonds issued by the Buyer's Guarantor ("Guarantor's Bonds") and (iii) $4,000,000 less any loss on the inventories of ACCSA realised between January 1 and June 30, 2004, within 6 months of completion. The retention receivable of $4,000,000 (2005: $4,000,000) is disclosed under other receivables (Note 9).

ii) On December 12, 2005, the company entered into a sale and purchase agreement with the Buyer and the Buyer's Guarantor as defined in the preceding paragraph to re-acquire 50% equity interest in ACCSA for $2, which was determined in accordance with the letter of undertaking provided by the Buyer's Guarantor to sell its 50% equity interest in ACCSA to the company for a nominal consideration. For accounting purpose, the group adopted December 31, 2005 as the effective date of acquisition from 50% to 100%.

iii) The negative goodwill of $4,371,000 arising from the re-acquisition was recognised immediately to the profit and loss statement in accordance with FRS 103 (Note 28).

(b) Distribution Management Solutions Pte Ltd ("DMS")

i) On May 16, 2006, the company's interest in DMS was increased from 50% to 57%. By way of a sale and purchase agreement dated May 16, 2006, the company re-acquired 7% equity interest (or 22,620,000 shares) in DMS from two sellers for a total consideration of $Nil. As per the terms of the sale and purchase agreement, the company refunded the deposits received for sale of subsidiary (Note 20). The company has recognised a gain on re-acquisition amounting to $1,110,000 for the year. The negative goodwill of $601,000 was written off to the consolidated profit and loss statement (Note 28).

ii) On December 29, 2006, the company acquired 33,333,340 shares from a vendor as partial settlement of the advances paid of $908,000 in prior years (Note 13). As a result, the company's interest in DMS was further increased to 67%.

Notes to Financial Statements
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13 ADVANCE PAYMENTS FOR INVESTMENTS

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Deposits and advances for:				
Acquisition of others	5,220	7,055	5,220	7,055
Acquisition of other investments	4,860	4,860	-	-
	10,080	11,915	5,220	7,055
Provision for impairment	(8,129)	(9,428)	(3,269)	(4,568)
	1,951	2,487	1,951	2,487
Movement in provision for impairment:				
At beginning of year	9,428	18,193	4,568	13,333
Transfer from provision for liabilities [Note 2(G)]	-	4,568	-	4,568
Reversal	(1,299)	-	(1,299)	-
Reclassification to provision for				
- Investment in associates (Note 11)	-	(3,333)	-	(3,333)
- Other investments (Note 15)	-	(10,000)	-	(10,000)
At end of year	8,129	9,428	3,269	4,568

These represent deposits and advances paid by the company to the vendors for equity stakes in investee companies for which the sales and purchase arrangements have not been completed as at the end of the financial year.

14 PLANT AND EQUIPMENT

	Computers and computer system	Plant and equipment	Motor vehicles	Furniture, fittings and renovations	Total
	$'000	$'000	$'000	$'000	$'000
Group					
Cost:					
At January 1, 2005	4,387	20,025	1,867	12,752	39,031
Exchange differences	(741)	484	7	(33)	(283)
Additions	18	1,613	-	814	2,445
Reclassifications	(738)	802	-	(64)	-
Disposals	(105)	(3,542)	(589)	(1,596)	(5,832)
Written off	-	(2,564)	(45)	(2,489)	(5,098)
At December 31, 2005	2,821	16,818	1,240	9,384	30,263
Exchange differences	310	(624)	(22)	(48)	(384)
Acquisition from subsidiaries	357	435	3	547	1,342
Additions	263	326	1	468	1,058
Reclassifications	2,675	(2,624)	-	(51)	-
Disposals	(1,053)	(4,456)	(344)	(4,216)	(10,069)
At December 31, 2006	5,373	9,875	878	6,084	22,210

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December 31, 2006

	Computers and computer system $'000	Plant and equipment $'000	Motor vehicles $'000	Furniture, fittings and renovations $'000	Total $'000
Accumulated depreciation:					
At January 1, 2005	1,848	5,959	492	2,987	11,286
Exchange differences	(42)	(103)	1	(235)	(379)
Depreciation	678	3,062	330	1,172	5,242
Disposals	(104)	(1,087)	(197)	(518)	(1,906)
Written off	-	(214)	(29)	(222)	(465)
At December 31, 2005	2,380	7,617	597	3,184	13,778
Exchange differences	266	(446)	(14)	(112)	(306)
Acquisition from subsidiaries	50	85	1	83	219
Depreciation	1,034	1,016	182	2,829	5,061
Reclassifications	867	(876)	-	9	-
Disposals	(656)	(1,971)	(248)	(1,665)	(4,540)
At December 31, 2006	3,941	5,425	518	4,328	14,212
Impairment:					
At January 1, 2005	556	2,534	-	1,614	4,704
Impairment loss recognised during the year	60	492	-	247	799
Written off	(52)	(283)	-	(179)	(514)
Disposals	(249)	(1,360)	-	(858)	(2,467)
At December 31, 2005	315	1,383	-	824	2,522
Impairment loss recognised during the year	-	39	-	32	71
Disposals	(308)	(951)	-	(804)	(2,063)
At December 31, 2006	7	471	-	52	530
Carrying amount:					
At December 31, 2006	1,425	3,979	360	1,704	7,468
At December 31, 2005	126	7,818	643	5,376	13,963

Notes to Financial Statements
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	Computers and computer system $'000	Plant and equipment $'000	Motor vehicles $'000	Furniture, fittings and renovations $'000	Total $'000
Company					
Cost:					
At January 1, 2005	2,923	1,318	118	1,888	6,247
Additions	-	167	-	41	208
Disposals	(93)	(404)	-	(26)	(523)
Written off	-	-	-	(728)	(728)
At December 31, 2005	2,830	1,081	118	1,175	5,204
Additions	16	-	-	-	16
Disposals	(526)	(871)	-	(531)	(1,928)
Reclassification	163	(167)	-	4	-
At December 31, 2006	2,483	43	118	648	3,292
Accumulated depreciation:					
At January 1, 2005	1,083	281	43	458	1,865
Depreciation	549	143	24	145	861
Disposals	(65)	(118)	-	(7)	(190)
Written off	-	-	-	(211)	(211)
At December 31, 2005	1,567	306	67	385	2,325
Depreciation	511	7	23	492	1,033
Disposals	(442)	(276)	-	(290)	(1,008)
Reclassification	30	(30)	-	-	-
At December 31, 2006	1,666	7	90	587	2,350
Impairment:					
At January 1, 2005	701	433	-	598	1,732
Reclassification	(488)	244	-	244	-
Written off	-	-	-	(514)	(514)
Disposals	(148)	(92)	-	(126)	(366)
At December 31, 2005	65	585	-	202	852
Disposals	(65)	(585)	-	(202)	(852)
At December 31, 2006	-	-	-	-	-
Carrying amount:					
At December 31, 2006	817	36	28	61	942
At December 31, 2005	1,198	190	51	588	2,027

Notes to Financial Statements

December 31, 2006

a) During the year, the group carried out a review of the recoverable amount of its plant and equipment. These assets are used in the group's after-market services segment. The review led to the recognition of an impairment loss of $71,000 (2005: $799,000) due to expiration of a specific after-market services contract with a customer and commencement of liquidation proceedings for certain subsidiaries as there is no possibility of future usage of the related assets.

b) The auditors of certain subsidiaries expressed a disclaimer of opinion due to limitation of scope on the impairment loss of $606,000 charged to the profit and loss statement in the previous year as they were unable to obtain sufficient audit evidence to determine that the impairment loss, which is based on directors' net selling prices is appropriate, and accordingly, the net carrying amount of plant and equipment amounting to $750,000 at December 31, 2005.

(c) The carrying amounts of the group's and company's plant and equipment include amounts of $171,000 and $Nil (2005 : $349,900 and $Nil) in respect of assets held under finance lease (Note 21).

15 OTHER INVESTMENTS

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
At cost:				
Unquoted redeemable convertible bonds in related party (Note a)	20,000	20,000	20,000	20,000
Unquoted bonds	491	491	-	-
Unquoted equity shares (Note b)	12,300	12,300	11,500	11,500
Unquoted others	3,662	3,662	-	-
Club memberships	-	87	-	87
	36,453	36,540	31,500	31,587
Provision for impairment	(26,722)	(18,809)	(25,410)	(17,497)
	9,731	17,731	6,090	14,090

Movement in provision for impairment:

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
At beginning of year	18,809	5,998	17,497	2,026
Current year provision	8,000	857	8,000	87
Written off during the year	(87)	-	(87)	-
Reversal and reclassification to provision for liabilities [Note 2(J)]	-	(3,430)	-	-
Transfer from provision for				
- Investment in associate (Note 11)	-	1,500	-	1,500
- Liabilities [Note 2(J)]	-	3,884	-	3,884
- Advance payments for investments (Note 13)	-	10,000	-	10,000
At end of year	26,722	18,809	25,410	17,497

Notes to Financial Statements
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a) This represents investment in unquoted redeemable convertible bonds (the "Bonds") amounting to $20,000,000 in Ventures Management Solutions Pte. Ltd. ("VMS") which is a related party of the group as it has common directors with the company. In January 2005, the company paid $5,000,000 to VMS to subscribe for additional bonds in VMS. The Bonds are convertible into ordinary shares of VMS, or can be swapped for ordinary shares in the direct investee companies of VMS, subject to certain conditions being met. The Bonds bear simple interest at 10% per annum and are repayable on July 6, 2007 (Note 28).

The directors of the company have evaluated the recoverability of the Bonds and are of the view that the net carrying value of the bonds of $6,090,000 (2005 : $14,090,000) as at December 31, 2006 are substantially recoverable based on the latest market value of the quoted investments held by VMS and its subsidiary.

b) This includes investment in Mobile Communication Service Pte Ltd amounting to $11,500,000 arising from the exercise of option in 2005 to exchange the company's 20% equity interest in Allpro International Limited into 20% equity interest in Mobile Communication Service Pte Ltd.

The unquoted investments are stated at cost less any impairment in net recoverable value as the directors are of the view that there is no reliable measure of the fair values of these unquoted investments.

16 GOODWILL ON CONSOLIDATION

	Group	
	2006	2005
	$'000	$'000 (Restated)
Cost:		
At beginning of year	53,566	54,609
Arising on		
- Adjustment to cost (Note a)	-	1,598
- Acquisition of subsidiaries (Note 37)	7,333	-
- Acquisition of additional equity interest in subsidiary	664	976
- Disposal of subsidiaries charged to profit and loss	(10,150)	-
Elimination of amortisation accumulated prior to the adoption of FRS 103	-	(4,094)
Exchange adjustment	5	477
At end of year	51,418	53,566
Accumulated amortisation:		
At beginning of year	-	4,094
Elimination of amortisation accumulated prior to the adoption of FRS 103	-	(4,094)
At end of year	-	-
Provision for impairment:		
Balance at beginning of year	47,058	43,839
Transfer from provision for liabilities [Note 2(H)]	-	1,915
Provision charged to profit and loss statement	-	865
Reversal upon disposal of subsidiaries	(7,814)	-
Exchange adjustment	-	439
Balance at end of year	39,244	47,058

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	Group 2006 $'000	Group 2005 $'000 (Restated)
Carrying amount:		
At end of year	12,174	6,508
At beginning of year	6,508	6,676

a) This represents payment of deferred purchase consideration on acquisition of subsidiaries.

b) The group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the specific risks. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next 1 year and extrapolates cash flows for the following 4 years based on estimated growth rates of 10% to 25%.

The rates used to discount the forecast cash flows range from 7.33% to 13%.

17 OTHER GOODWILL

	Group		Company	
	2006 $'000	2005 $'000 (Restated)	2006 $'000	2005 $'000
Cost:				
Balance at beginning of year	11,446	14,378	-	1,052
Elimination of amortisation accumulated prior to adoption of FRS 103	-	(1,280)	-	(91)
Written off during the year	(60)	(1,613)	-	(961)
Exchange adjustment	1	(39)	-	-
Balance at end of year	11,387	11,446	-	-
Accumulated amortisation:				
Balance at beginning of year	-	1,280	-	91
Elimination of amortisation accumulated prior to adoption of FRS 103	-	(1,280)	-	(91)
Balance at end of year	-	-	-	-

Notes to Financial Statements

December 31, 2006

	Group 2006 $'000	Group 2005 $'000 (Restated)	Company 2006 $'000	Company 2005 $'000
Provision for impairment:				
Balance at beginning of year	2,213	2,213	-	-
Provision during the year	1,100	-	-	-
Balance at end of year	3,313	2,213	-	-
Carrying amount:				
At end of year	8,074	9,233	-	-
At beginning of year	9,233	10,885	-	961

The above relates to goodwill on purchase of after-market service businesses and related assets.

The group tests other goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the specific risks. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next 1 year and extrapolates cash flows for the following 4 years based on growth rate of 4% to 5%.

The rate used to discount the forecast cash flows is 7.33%.

18 BANK LOANS AND OVERDRAFTS

	Group 2006 $'000	Group 2005 $'000	Company 2006 $'000	Company 2005 $'000
Bank overdrafts (Note c)	8,668	11,614	1,581	2,413
Bank loans				
- Unsecured	13,627	18,850	4,435	6,000
- Secured	-	5,152	-	-
	22,295	35,616	6,016	8,413

a) The above secured bank loans of the group were secured by fixed deposits of $5,448,000 of the company in 2005 (Note 7).

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b) Unsecured bank loans of subsidiaries amounting to $9,192,000 (2005 : $12,850,000) are supported by corporate guarantees from the company.

c) In 2005, a bank had frozen the bank balances of the company pending the restructuring of the loans owing by certain subsidiaries and an associate.

In addition, another bank had converted an outstanding loan amounting to $9,201,000 of a subsidiary into bank overdraft as a subsidiary did not repay the loan upon maturity. The bank has agreed to continue to grant the existing credit facility to the group pending the submission of a repayment plan to the bank by a certain date.

The other banks continued to provide the group with the existing credit facilities and did not modify, withdraw or suspend any credit facilities provided to the group.

d) The average effective interest rates paid are from 4.53% to 6.5% (2005 : 2.83% to 11.08%) per annum.

e) The group and company's bank loans and overdrafts are denominated in the functional currency of the respective entities.

19 TRADE PAYABLES

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Outside parties	14,507	10,663	892	570
Subsidiaries (Note 12)	-	-	587	7,985
Related parties (Note 6)	470	247	-	-
	14,977	10,910	1,479	8,555

The group and company's trade payables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
United States dollars	3,140	1,046	326	70
EURO	528	337	166	56
Singapore dollars	-	3,548	-	-

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20 OTHER PAYABLES

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Refundable deposit for partial sale of subsidiary	2,072	4,668	2,072	4,668
Accrued expenses	20,100	27,491	5,388	3,458
Provision for bank loans of associate	2,670	4,620	-	-
Provision for restructuring costs	5,948	-	-	-
Provision for other liabilities (Note 2K)	-	13,080	-	8,044
	30,790	49,859	7,460	16,170
Transfer of provision for				
- Provision for liabilities via reversal of amounts due from subsidiaries [Note 2(D)]	-	(8,067)	-	8,067
- Provision for impairment on other investments [Note 2(J)]	-	3,430	-	3,430
- Provision for liabilities arising from cash receipts in 2005 relating to reversal of overstatement of refurbishment income from trade receivables written-off [Note 2(A)]	-	6,272	-	6,272
Reclassification from provision for impairment for trade receivables [Note 2(A)]	-	644	-	644
	30,790	52,138	7,460	34,583
Transfer to provision for				
- Accrued interest for investment in unquoted bonds [Note 2(C)]	-	(2,481)	-	(2,481)
- Impairment on investment in associate [Note 2(D)]	-	(3,347)	-	(3,347)
- Impairment on investment in subsidiaries [Note 2(E)]	-	-	-	(3,886)
- Impairment on goodwill on consolidation [Note 2(H)]	-	(1,915)	-	-
- Impairment on advance payments on investments [Note 2(G)]	-	(4,568)	-	(4,568)
- Impairment on other investments [Note 2(J)]	-	(3,884)	-	(3,884)
	30,790	35,943	7,460	16,417
Subsidiaries (Note 12)	-	-	11,908	30,515
Related parties (Note 6)	14,784	6,541	14,117	5,003
	45,574	42,484	33,485	51,935

The group and company's other payables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
United States dollars	148	552	133	4,724
Euro	67	49	-	15,295
Hong Kong dollars	32	12	8	7,924
Singapore dollars	2	3,839	-	-
Chinese Renminbi	-	176	5,894	6,019

21 FINANCE LEASES

	Minimum lease payment		Present value of minimum lease payments	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Group				
Amounts payable under finance leases:				
Within one year	46	77	40	68
In the second to fifth year inclusive	187	228	168	197
After five years	-	18	-	15
	233	323	208	280
Less: Future finance charges	(25)	(43)	NA	NA
Present value of lease obligations	208	280	208	280
Less: Amount due from settlement within 12 months (shown under current liabilities)			(17)	(68)
Amount due for settlement after 12 months			191	212

The average lease term is 5 years. The average effective borrowing rate was 4.64% (2005 : 3.7%) per annum. Interest rates are fixed at the contract date and thus expose the group to fair value interest risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The lease obligations are denominated in Singapore and New Zealand dollars.

The fair value of the group's lease obligations approximates their carrying amount.

The group's obligations under finance leases are secured by the lessors' title to the leased assets.

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22 DEFERRED TAX LIABILITIES

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
At beginning of year	1,021	593	912	912
Charge to profit and loss for the year (Note 31)	132	422	-	-
Exchange adjustment	-	6	-	-
At end of year	1,153	1,021	912	912

The balance comprises mainly the tax effect of the excess of tax depreciation over book depreciation of plant and equipment.

23 LONG-TERM BANK LOAN (UNSECURED)

	Group		Company	
	2006	2005	2006	2005
	$'000	$'000	$'000	$'000
Long-term bank loan	-	832	-	-
The borrowings are repayable as follows:				
On demand or within one year	-	508	-	-
In the second year	-	324	-	-
	-	832	-	-
Less: Amount due for settlement within 12 months (shown under current liabilities)	-	(508)	-	-
Amount due for settlement after 12 months	-	324	-	-

The loan was fully repaid during the year. The average effective interest charged was 5.86% per annum in 2005.

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24 DEFINED CONTRIBUTION PLANS

a) The employees of the company and its subsidiaries that are located in Singapore, India, Australia, Malaysia and Thailand are members of the state managed retirement benefit plan as governed by the respective Governments of those countries, are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The subsidiaries operating in UAE accrue for retirement benefits based on the local statutory requirements for its qualified employees.

The total expense recognised in the profit and loss statement of $2,361,000 (2005 : $3,005,000) represents contributions payable to these plans by the group at rates specified in the rules of the plans. As at December 31, 2006, contributions of $871,000 (2005 : $131,000) due in respect of current financial year had not been paid over to the plans. The amounts were paid over subsequent to the balance sheet date.

b) Pursuant to the relevant regulations of the PRC government, the Group has participated in central pension schemes ("the Schemes") operated by local principal municipal governments whereby the Group is required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund their retirement benefits. The local municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group. The only obligation of the Group with respect to the Schemes is to pay the ongoing required contributions under the Schemes. Payments to the Schemes are charged as expenses as they fall due.

The total expense recognised in the profit and loss statement of $280,000 (2005 : $304,000) represents contributions payable to these plans by the group at rates specified in the rules of the plans. As at December 31, 2005 and 2006, there were no outstanding contributions that have not been paid over to the plans.

25 SHARE CAPITAL

	Group and Company			
	2006	2005	2006	2005
	Number of ordinary shares		$'000	$'000
Issued and paid up:				
At beginning of year	960,970,480	960,652,480	24,024	24,017
Issuance of 65,331,010 ordinary shares as purchase consideration for acquisition of subsidiaries	65,331,010	-	7,500	-
Issuance of 513,150,737 ordinary shares pursuant to rights issue	513,150,737	-	19,923	-
Issuance of 318,000 ordinary shares of $0.025 each pursuant to the mDR share Option Scheme 2003	-	318,000	-	7
Transfer from share premium account	-	-	38,394	-
At end of year	1,539,452,227	960,970,480	89,841	24,024

The company has one class of ordinary shares which carry no right to fixed income.

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As a result of the Companies (Amendment) Act 2005 which came into effect on January 30, 2006, the concept of authorised share capital and par value has been abolished. Any amount standing to the credit of the share premium account has been transferred to the company's share capital account on the effective date.

At the end of the financial year, pursuant to the company's mDR Share Option Scheme 2003 as disclosed in paragraph 6 of the Report of the Directors, there were 26,755,249 (2005 : 22,497,000) unissued ordinary shares of the company under option.

26 SHARE-BASED PAYMENTS

Equity-settled share option scheme
The company has a share option scheme for all employees of the company. The scheme is administered by the Remuneration Committee. Options are exercisable at a price based on the market price ("Market Price Options"). The Remuneration Committee may at its discretion fix the exercise price at a discount not exceeding 20%. The vesting period is 1 year for market price options and 2 years for options issued at a discount. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options holders may exercise any unexercised options within 1 month from the last date of employment after which, options are forfeited.

Details of the share options outstanding during the year are as follows:

	Group and Company			
	2006		2005	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
		$		$
Outstanding at the beginning of the year	22,497,000	0.478	29,570,000	0.629
Reinstatement during the year	1,620,000	0.651	-	-
Adjusted during the year*	8,140,527	0.296	-	-
Granted during the year	-	-	7,000,000	0.155
Exercised during the year	-	-	(318,000)	0.400
Lapsed/cancelled during the year	(5,502,278)	0.495	(13,755,000)	0.651
Outstanding at the end of the year	26,755,249	0.332	22,497,000	0.478
Exercisable at the end of the year	20,317,249	0.399	15,497,000	0.624

* This represents the additional options arising from the adjustment to the existing number of options held as at June 13, 2006 pursuant to the issue of renounceable underwritten rights issue during the year.

The weighted average share price at the date of exercise for share options exercised during the year was Nil (2005 : $0.133). The options outstanding at the end of the year have a weighted average remaining contractual life of 8 years (2005 : 9 years).

In 2005, options were granted on September 22. The estimated fair values of the options granted on that date ranges from $0.0514 to $0.0648.

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The fair values of the options granted were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

	Options granted in 2005
Weighted average share price	0.154
Weighted average exercise price	0.155
Expected volatility	29%
Risk free rate	2.22% to 2.46%
Expected dividend yield	Nil

Expected volatility was determined by calculating the historical volatility of the company's share price over the previous 84 days. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations and the effects arising from the restatement and adjustments to the group's and company's financial statements in previous years.

As a result of the adjustment to the options pursuant to the issue of renounceable underwritten rights issue, the exercise prices of outstanding share options as at June 13, 2006 under the 2003 Scheme were revised from prices ranging from $0.155 to $0.651 to ranging from $0.1206 to $0.5063.

The incremental fair value did not have a material impact on the financial statements of the group and the company and the revised inputs to the model were as follows:

	Options granted in	
	2005	2004
Weighted average share price	0.096	0.5062
Weighted average exercise price	0.1206	0.5063
Expected volatility	29%	29%
Risk free rate	2.22% to 2.46%	2.37%
Expected dividend yield	Nil	Nil

The group and the company recognised total expenses of $450,000 (2005 : $813,000) related to equity-settled share-based payment transactions during the year.

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27 REVENUE

	Group 2006 $'000	Group 2005 $'000
In warranty	33,597	47,225
Out warranty	14,665	14,314
Others	5,905	12,221
After-market services income	54,167	73,760
Sales of goods	178,922	190,325
Service and incentive income	35,643	20,235
Distribution management solutions income	214,565	210,560
	268,732	284,320

Revenue from provision of after-market services comprises retrofit services and repair management services, and sales of parts and accessories. Out warranty service income includes retrofit income.

Distribution management solutions income comprises the sale of mobile communication products and the provision of distribution management solutions for mobile communication and high-tech consumer products.

28 OTHER OPERATING INCOME

	Group 2006 $'000	Group 2005 $'000
Rental income	197	321
Interest income on:		
Bank balances	288	199
Bonds in related party (Note 15)	2,001	1,985
Release of negative goodwill to income on re-acquisition of Distribution Management Solutions Pte Ltd (Note 12)	601	-
Release of negative goodwill to income on re-acquisition of Accord Customer Care Solutions (Aust) Pty Ltd (Note 12)	-	4,371
Bad debts recovered	121	-
Waiver of debts due to intermediary companies	3,448	-
Government grant	-	148
Reversal of provision for stock loss	318	-
Others	417	44
	7,391	7,068

Notes to Financial Statements
December 31, 2006

29 OTHER OPERATING EXPENSES

	Group 2006 $'000	Group 2005 $'000
Minimum lease payments under operating leases	9,250	11,665
Reversal of provision for retention receivable [Note 2(C)]	-	(3,250)
Reversal of provision for other liabilities		
- arising from cash receipts for trade receivables written off due to reversal of invalid commission income (Note 2(B)]	-	(2,597)
- other accrued operating expenses	(1,594)	-
Reversal of impairment on plant and equipment – net (Note 14)	(1,992)	(2,182)
Reversal of provision for impairment for advance payments for investments (Note 13)	(1,299)	-
Impairment of other receivables (Note 9)	2,501	-
Plant and equipment written-off (Note 14)	-	4,119
Loss (Gain) on disposal of plant and equipment (Note 14)	5,529	(399)
Reversal of goodwill on disposal of subsidiary -net (Note 16)	2,336	-
Impairment of goodwill on consolidation	-	865
Impairment of other goodwill (Note 17)	1,100	-
Other goodwill written off	60	1,613
Impairment of other investments (Note 15)	8,000	87
Allowance for inventories (Note 10)	701	3,333
Allowance for doubtful trade receivables - net (Note 8)	236	1,440
Allowance for doubtful other receivables (Note 9)	3,662	-
Depreciation expenses (Note 14)	5,061	5,242
Foreign currency exchange adjustment loss	1,147	1,065
Provision for restructuring costs (Note 20)	5,948	-
	40,646	21,001

30 FINANCE COST

	Group 2006 $'000	Group 2005 $'000
Interest on bank loans	1,655	2,054

31 INCOME TAX

	Group 2006 $'000	Group 2005 $'000
Current tax	74	1,201
Deferred tax (Note 22)	132	422
	206	1,623
Over provision in prior years	-	(1,123)
Total/Net	206	500

Notes to Financial Statements
December 31, 2006

The Economic Development Board of Singapore granted a 5 year Development and Expansion Incentive under the Business Headquarters Programme, to the company commencing from January 1 2004.

Subject to certain conditions, income derived by the company for its qualifying activities, in excess of a base of $1,095,000, will be taxed at a concessionary rate of 13%. Income from non-qualifying activities and the base of $1,095,000 will be taxed at the standard Singapore income tax rate.

Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax credit for the group varied from the amount of income tax credit determined by applying the Singapore tax rate of 20% (2005 : 20%) to loss before income tax as a result of the following:

	Group	
	2006	2005
	$'000	$'000
Tax credit at the statutory rate	(6,536)	(2,698)
Non deductible items	6,665	4,590
Others	77	(269)
	206	1,623
(Over) Under provision in prior years	-	(1,123)
Net	206	500

32 LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	Group	
	2006	2005
	$'000	$'000
Directors' remuneration:		
Directors of the company	520	291
Directors of subsidiaries	15	30
Directors' fees	296	334
Employees benefits expenses (including directors' remuneration)	3,851	6,958
Auditors' fees:		
Paid to auditors of the company		
Current year	481	719
Underprovision in prior year	-	361
Paid to other auditors	272	215
Non-audit fees:		
Paid to auditors of the company	78	220
Paid to other auditors	65	2,375
Depreciation of plant and equipment	5,061	5,242

Number of directors of the company in remuneration bands is as follows:

	2006			2005		
	Executive directors	Non-executive directors	Total	Executive directors	Non-executive directors	Total
$500,000 and above	1	-	1	-	-	-
$250,000 to $499,999	-	-	-	1	-	1
Below $250,000	-	4	4	-	4	4
	1	4	5	1	4	5

33 LOSS PER SHARE

The calculation of basic earnings per ordinary share is calculated on the group loss attributable to equity holders of the company of $33,041,000 (2005 : $9,946,000) divided by the weighted average number of ordinary shares of 1,398,842,096 (2005 : 1,070,231,507) which has been adjusted to reflect the renounceable underwritten rights issue during 2006.

Fully diluted earnings per ordinary share is based on 1,398,842,096 (2005 : 1,070,231,507) ordinary shares assuming the full exercise of share options outstanding (where dilutive) and adjusting the weighted average number of ordinary shares to reflect the effect of all potentially dilutive ordinary shares.

	Group			
	2006		2005	
	Basic	Diluted	Basic	Diluted
Net loss attributable to equity holders of the company ($'000)	(33,041)	(33,041)	(9,946)	(9,946)
Ordinary shares Weighted average shares	1,398,842,096	1,398,842,096	1,070,231,507	1,070,231,507
Adjustment for potential dilutive ordinary shares	-	-	-	-
Weighted average number of ordinary shares used to compute earnings per share	1,398,842,096	1,398,842,096	1,070,231,507	1,070,231,507
Loss per share (cents)	(2.36)	(2.36)	(0.93)	(0.93)

Notes to Financial Statements
December 31, 2006

34 OPERATING LEASE ARRANGEMENTS

	Group	
	2006	2005
	$'000	$'000
Minimum lease payments under operating leases recognised as an expense in the year	9,250	11,665

At the balance sheet date, the group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2006	2005
	$'000	$'000
Within one year	5,439	6,105
In the second to fifth year inclusive	3,515	1,683
	8,954	7,788

Operating lease payments represent rentals payable by the group for certain of its office premises and service centres. Leases are negotiated for an average term of 2 years and rentals are fixed for an average of 2 years.

35 CONTINGENT LIABILITIES (UNSECURED)

a) In 2006, the company has outstanding banker's guarantees amounting to $398,600 (2005 : $421,300) issued in favour of financial institutions undertaken for operating lease agreements of $398,600 (2005 : $421,300).

b) The company has outstanding corporate guarantees amounting to $56,700,000 (2005 : $56,700,000) issued in favour of financial institutions for granting credit facilities to its subsidiaries and an associate. As at December 31, 2006, the outstanding amount of the credit facilities utilised amounted to $18,948,000 (2005 : $26,621,000), which includes $2,670,000 (2005 : $4,620,000) which this subsidiary is jointly liable for credit facilities utilised by the subsidiary's 67% owned associate. As at December 31, 2006, the group has made a provision for loss of $2,670,000 (2005 : $3,380,000) on the bank loan of the associate.

c) The company has outstanding corporate guarantees amounting to $Nil (2005 : $5,152,000) issued in favour of a financial institution for the granting of short-term bank loans and standby documentary credit facilities to its subsidiary.

d) Certain subsidiaries have several outstanding banker's guarantees amounting to $5,000,000 (2005 : $9,493,800) issued in favour of equipment principals, entered in the normal course of business and under supply agreements.

Notes to Financial Statements
December 31, 2006

36 SEGMENT INFORMATION

For management purposes, the Group is organised on a world-wide basis into three major operating divisions – South Asia, North Asia and South Pacific. The divisions are the basis on which the Group reports its primary segment information.

The dominant source and nature of the group's risk and returns are based on the geographical areas where its service centers are located. Therefore, the primary segment is geographical segments by location of our service centers.

South Asia comprises Indonesia, the Philippines, Thailand, Malaysia, India, Vietnam, United Arab Emirates and Singapore.

North Asia comprises People's Republic of China, Hong Kong SAR and Taiwan.

South Pacific comprises Australia and New Zealand.

Primary segment information for the group based on geographical segments for the year ended December 31, 2006 are as follows:

By Geographical Operations

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the group's profit and loss statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and plant and equipment, net of allowances and provisions. Capital expenditure includes the total cost incurred to acquire property, plant and equipment, and intangible assets directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of accounts payable and accrued expenses.

Inter-segment transfers: Segment revenue and expenses include transfers between business segments. Inter-segment sales are charged at cost. These transfers are eliminated on consolidation.

Notes to Financial Statements
December 31, 2006

	South Asia $'000	North Asia $'000	South Pacific $'000	Consolidated $'000
December 31, 2006				
REVENUE				
External sales	238,061	7,301	23,370	268,732
RESULTS				
Segment result	(21,096)	(2,272)	(7,657)	(31,025)
Finance costs				(1,655)
Profit before income tax				(32,680)
Income tax expense				(206)
Profit before minority interest				(32,886)
ASSETS				
Segment assets	74,031	4,589	7,944	86,564
Unallocated corporate assets				20,248
Consolidated total assets				106,812
LIABILITIES				
Segment liabilities	50,460	3,835	6,256	60,551
Bank loans and overdrafts				22,295
Income tax payable				1,166
Unallocated corporate liabilities				1,361
Consolidated total liabilities				85,373
OTHER INFORMATION				
Capital expenditure	761	122	175	1,058
Depreciation expense	3,195	557	1,309	5,061
Loss on disposal of plant and equipment	3,531	229	1,769	5,529
Reversal of impairment of plant and equipment	(2,063)	-	-	(2,063)
Impairment of plant and equipment	-	71	-	71
Impairment of other investments	8,000	-	-	8,000
Impairment of goodwill	1,100	-	-	1,100
Other goodwill written off	60	-	-	60
Reversal of goodwill on disposal of subsidiary - net	1,199	138	999	2,336

Notes to Financial Statements
December 31, 2006

December 31, 2005

REVENUE				
External sales	227,263	10,310	46,747	284,320
RESULTS				
Segment result	1,933	(6,465)	(6,902)	(11,434)
Finance costs				(2,054)
Profit before income tax				(13,488)
Income tax expense				(500)
Profit before minority interest				(13,988)
ASSETS				
Segment assets	82,978	3,596	16,619	103,193
Unallocated corporate assets				15,741
Consolidated total assets				118,934
LIABILITIES				
Segment liabilities	40,055	4,677	8,662	53,394
Bank loans and overdrafts				36,448
Income tax payable				1,198
Unallocated corporate liabilities				1,301
Consolidated total liabilities				92,341
OTHER INFORMATION				
Capital expenditure	1,277	400	768	2,445
Depreciation	2,879	679	1,684	5,242
Plant and equipment written off	119	1,676	2,324	4,119
Reversal of impairment of plant and equipment	(2,196)	(271)	-	(2,467)
Impairment of plant and equipment	684	115	-	799
Other goodwill written off	1,613	-	-	1,613
Impairment of goodwill on consolidation	-	-	865	865
Impairment of other assets	857	-	-	857

Notes to Financial Statements
December 31, 2006

By Business Segment

The group operates in two business segments - after-market services ("AMS") and distribution management solutions ("DMS").

Segment revenue: Segment revenue is the operating revenue reported in the group's profit and loss statement that is directly attributable to a segment and the relevant portion of such revenue that can be allocated on a reasonable basis to a segment.

Segment assets and capital expenditure: Segment assets and capital expenditure are analysed based on those assets used by a segment. Capital expenditure includes the total cost incurred to plant and equipment, and any intangible assets.

	Revenue		Assets		Capital expenditure	
	2006	2005	2006	2005	2006	2005
	$'000	$'000	$'000	$'000	$'000	$'000
AMS	54,167	73,760	62,253	70,507	768	2,080
DMS	214,565	210,560	44,559	48,427	290	365
Total	268,732	284,320	106,812	118,934	1,058	2,445

37 ACQUISITION OF SUBSIDIARY

On April 21, 2006, the company acquired 100% of the issued share capital of Semitech Mobility Solutions Pte Ltd, Semitech Electronics (HK) Limited and SEM Technology Sdn Bhd. This transaction has been accounted for by the purchase method of accounting.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Acquiree's carrying amount before combination	Fair value adjustments	Fair value
	$'000	$'000	$'000
Net assets acquired:			
Cash and bank balances	391	-	391
Plant and equipment	1,123	-	1,123
Inventories	1,406	-	1,406
Trade receivables	4,000	-	4,000
Trade payables	(2,342)	-	(2,342)
Other payables	(4,383)	-	(4,383)
Income tax payable	(28)	-	(28)
	167	-	167
Goodwill (Note 16)			7,333
Total consideration, satisfied by issue of shares			7,500

Net cash outflow arising on acquisition:	
Consideration satisfied by issue of shares	(7,500)
Cash and cash equivalents acquired	391
	(7,109)

The goodwill arising on the acquisition of the above companies is attributable to the anticipated profitability of the group's products and the anticipated future operating synergies from the combination.

The group also acquired the customer lists and customer relationships of the above companies as part of the acquisition. These assets could not be reliably measured and separately recognised from goodwill because they are not capable of being separated from the group and sold, transferred, licensed, rented or exchanged, either individually or together with any related contracts.

The above companies contributed $9.9 million revenue and $1.6 million to the group's loss before tax for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on January 1, 2006, total contribution to the group revenue and loss for the year would have been $14.8 million and $3.9 million respectively.

38 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

(a) On January 5, 2007, the company entered into a Sale and Purchase Agreement (the "Agreement") with Mr Ng Hai Hong (the "vendor") to issue an aggregate of 6,097,561 new ordinary shares in the capital of the company at an issue price of $0.041 as purchase consideration for 8,333,340 ordinary shares of the vendor's interest in Distribution Management Solutions Pte Ltd ("DMS"). Following the completion of this Agreement, the company's interest in DMS will be further increased to 69%. SGX-ST has approved in-principle the listing and quotation of the shares on SGX-ST subject to the company making a SGXNET announcement providing the information required in Rule 101 of the Listing Manual, on the basis that all transactions relating to the company's acquisition of DMS shares in the last 12 months are aggregated and considered as a single transaction.

(b) On March 1, 2007, the company announced that they have reached a settlement with a creditor of the company in respect of outstanding amounts owing to the creditor of approximately $3.12 million. The settlement shall be completed by the issue of 69,439,182 new ordinary shares of the company at an issue price of $0.045 for each share. SGX-ST has approved in-principle the listing and quotation of the shares on SGX-ST.

Statistics of Shareholding

As at 19 March 2007

As at 19 March 2007

Issued and Paid up Capital	:	S$90,090,988
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

(Inclusive of Rights Issue dated 19 June 2006)

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	(%)	No. of Shares	(%)
Below 1,000	119	1.33	46,572	0.00
1,000 to 10,000	2,060	23.10	13,667,211	0.89
10,001 to 1,000,000	6,632	74.38	626,628,289	40.71
Above 1,000,000	106	1.19	899,110,155	58.40
Total	8,917	100.00	1,539,452,227	100.00

Substantial Shareholders

As recorded in the Register of Substantial Shareholders

Name	Direct Interest	(%)	Deemed Interest	(%)
EDB Investments Pte Ltd	-	-	113,085,013 (1)	7.34
Seletar Fund Investments Pte Ltd	-	-	89,172,338 (2)	5.79
Fullerton Fund Investments Pte Ltd	-	-	89,172,338 (3)	5.79
Temasek Holdings (Private) Limited	-	-	89,172,338 (3)	5.79
Economic Development Board	-	-	113,085,013 (4)	7.34
PLE Investments Pte Ltd	89,172,338	5.79	-	-
Tan Hor Thye	201,092,337	13.06	3,386,070 (5)	0.22
Poh Tian Peng	137,924,959 (6)	8.96	3,386,070 (5)	0.22

Notes:

(1) Deemed to be interested in the shares of the Company through:- (i) PLE Investments Pte Ltd ("PLE"), which is 58% owned by EDB Investments Pte Ltd ("EDBI"); and (ii) M-Commerce Ventures Pte Ltd, which is 52.6% owned by EDBI.

(2) Deemed to be interested in the shares of the Company as Seletar Fund Investments Pte Ltd ("Seletar") has a 20% shareholding in PLE.

(3) Deemed to be a substantial shareholder of the Company through Seletar. Seletar is a wholly-owned subsidiary of Fullerton Fund Investments Pte Ltd, which is in turn a wholly-owned subsidiary of Temasek Holdings (Private) Limited.

(4) Deemed to be interested in the shares of the Company through its wholly-owned subsidiary, EDBI.

(5) Deemed to be interested in the 3,386,070 ordinary shares held by Accord Holdings Pte. Ltd. in the Company.

(6) Including 19,395,000 shares registered with DBS Nominees Pte Ltd.

Statistics of Shareholding

As at 19 March 2007

20 Largest Shareholders

No.	Name	No. of Shares	(%)
1.	TAN HOR THYE	201,092,337	13.06
2.	POH TIAN PENG	118,529,959	7.70
3.	PLE INVESTMENTS PTE LTD	89,172,338	5.79
4.	DBS NOMINEES PTE LTD	50,732,050	3.30
5.	OVERSEA CHINESE BANK NOMINEES PTE LTD	32,671,514	2.12
6.	UNITED OVERSEAS BANK NOMINEES PTE LTD	31,998,110	2.08
7.	OCBC SECURITIES PRIVATE LTD	26,200,750	1.70
8.	PHILLIP SECURITIES PTE LTD	24,775,043	1.61
9.	M-COMMERCE VENTURES PTE LTD	23,912,675	1.55
10.	CIMB-GK SECURITIES PTE. LTD.	21,634,071	1.41
11.	UOB KAY HIAN PTE LTD	19,293,500	1.25
12.	CITIBANK NOMINEES SINGAPORE PTE LTD	15,770,525	1.02
13.	OCBC NOMINEES SINGAPORE PTE LTD	14,138,500	0.92
14	KIM ENG SECURITIES PTE. LTD.	11,357,000	0.74
15.	KWEE LIONG TEK	10,600,000	0.69
16.	CHOY SAI CHAK	8,024,000	0.52
17.	FONG YOW WAI	8,000,000	0.52
18.	LEE MUI GEK PAULINE	6,500,000	0.42
19.	KWAN CHEE SENG	6,277,000	0.41
20.	CITIBANK CONSUMER NOMINEES PTE LTD	5,626,000	0.37
	TOTAL	726,305,372	47.18

Percentage of shareholdings in public hands

We confirm that approximately 72.2% of the Company's entire share capital is in the hands of public shareholders as at 19 March 2006. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notice of Annual General Meeting

mDR LIMITED
(Co. Reg. No. 200009059G)
(Incorporated in Singapore with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of mDR Limited (the "Company") will be held at The Chevrons, 48 Boon Lay Way, Singapore 609961 on Monday, 30 April 2007 at 3 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31 December 2006 together with the Auditors' Report thereon.
(Resolution 1)

2(a) To re-elect the Director, Mr. Tong Choo Cherng retiring pursuant to Article 90 of the Company's Articles of Association.
(Resolution 2)

2(b) To re-elect the following Directors, retiring pursuant to Article 96 of the Company's Articles of Association.

Mr. Tham Khai Wor **(Resolution 3)**
Mr. Chan Soo Sen **(Resolution 4)**

Mr. Tham Khai Wor will, upon re-election as Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee and will be considered independent.

Mr. Chan Soo Sen will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee and will be considered independent.

3. To approve the payment of Directors' fees of S$296,000 for FY2006 (FY2005: S$334,000).
(Resolution 5)

Notice of Annual General Meeting

4. To re-appoint Deloitte and Touche as the Company's Auditors and to authorise the Directors to fix their remuneration.

(Resolution 6)

5. To transact any other ordinary business which may properly be transacted at an 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:-

6. **Authority to allot and issue shares up to 50 per centum (50%) of the issued shares in the capital of the Company**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the SGX-ST, the Directors be authorised and empowered to:

6(i) allot and issue shares in the Company ("Shares") whether by way of rights, bonus or otherwise;

6(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be allotted and issued, including but not limited to the creation and issue of (as well as adjustments to) options, 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 may in their absolute discretion deem fit;

6(iii) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) allot and issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided always that:-

(a) the aggregate number of Shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

Notice of Annual General Meeting

(b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (a) above, the percentage of issued shares and Instruments shall be based on the number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:-

(I) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
(II) new shares arising from the exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
(III) any subsequent consolidation or subdivision of shares.

6(iv) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

6(v) unless revoked or varied by the Company in a general meeting, such authority shall continue in force:-

(a) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier;

(b) in the case of Shares to be allotted and issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the allotment and issuance of such shares in accordance with the terms of the Instruments.
(*See Explanatory Note (1) found in the Proxy Form*)

(Resolution 7)

7. **Authority to allot and issue shares under the mDR Share Option Scheme 2003**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be authorised and empowered to offer and grant options under the mDR Share Option Scheme 2003 ("the Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the issued shares in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
(*See Explanatory Note (2) found in the Proxy Form*) **(Resolution 8)**

Notice of Annual General Meeting

By Order of the Board

Huang Wenjian Eugene
Company Secretary
13 April 2007

mDR LIMITED

(Co. Reg. No. 200009059G)
(Incorporated in the Republic of Singapore with limited liability)

IMPORTANT:

1. For investors who have used their CPF monies to buy mDR Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____________________

of ____________________

being a member/members of mDR Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 30 April 2007 at 3 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 December 2006		
2	Re-election of Mr. Tong Choo Cherng as a Director		
3	Re-election of Mr. Tham Khai Wor as a Director		
4	Re-election of Mr. Chan Soo Sen as a Director		
5	Approval of Directors' fees amounting to S$296,000		
6	Re-appointment of Deloitte & Touche as Auditors		
7	Authority to allot and issue new shares		
8	Authority to allot and issue shares under the mDR Share Option Scheme 2003		

Dated this ____________ day of April 2007

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

*Delete where inapplicable

Notes :-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 20 Toh Guan Road #07-00 CJ GLS Building Singapore 608839 (Attn: Huang Wenjian Eugene, Company Secretary) not less than forty-eight (48) hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

First Fold

General:-

The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Explanatory Notes:

(i) The Ordinary Resolution 7 in item 6 above, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the issued shares in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the issued shares in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

(ii) The Ordinary Resolution 8 in item 7 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the issued shares in the capital of the Company from time to time.

Second Fold

mDR Limited

Affix
Postage
Stamp

Huang Wenjian Eugene
Company Secretary
mDR Limited
20 Toh Guan Road
#07-00 CJ GLS Building
Singapore 608839

Third Fold

Corporate Information

Board of Directors

Philip Eng Heng Nee
Independent Non-Executive Chairman

Tong Choo Cherng
Executive Director/Chief Executive Officer

Chan Soo Sen
Independent Non-Executive Director

Mah Kah On
Independent Non-Executive Director

Tham Khai Wor
Independent Non-Executive Director

Audit Committee

Mah Kah On
Chairman

Philip Eng Heng Nee
Chan Soo Sen
Tham Khai Wor

Remuneration Committee

Tham Khai Wor
Chairman

Philip Eng Heng Nee
Chan Soo Sen
Mah Kah On

Nomination Committee

Chan Soo Sen
Chairman

Philip Eng Heng Nee
Mah Kah On
Tham Khai Wor

Registered Office

20 Toh Guan Road
#07-00 CJ GLS Building
Singapore 608839
Tel : (65) 6410 2600
Fax : (65) 6410 2610
Hotline : (65) 6338 2227
Website : www.m-dr.com

Share Registrar

Lim Associates (Pte) Ltd
3 Church Street
#08-01 Samsung Hub
Singapore 049483
Person-in-charge: David Woo

Auditors

Deloitte & Touche
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 608839
Partner-in-charge: Cheung Pui Yuen
(Audit engagement partner since FY2005)

Company Secretary

Huang Wenjian Eugene
LL.B (Hons)

DMS Group Retail Network

M1 Exclusive Retailers

Causeway Point S. C.
#03-24/25/26 Woodlands Central
Tel: 6877 2268
Century Square S. C.
#04-07/08 Tampines Central
Tel: 6789 2218
Junction 8 S. C.
#02-30 Bishan Central
Tel: 6254 0800
Funan DigitaLife Mall
Level 1, Kiosk K8
Tel: 6334 9083
Lot 1 Shoppers' Mall
#B1-18 Choa Chu Kang Central
Tel: 6767 2268
Compass Point S. C.
1 Sengkang Square #02-33
Tel: 6489 0978

SingTel Exclusive Retailers

Wisma Atria
435 Orchard Road #03-30
Tel: 6738 0618
Suntec City Mall
3 Temasek Boulevard #02-056
Tel: 6333 1579
Parkway Parade
80 Marine Parade Road #B1-31/32
Tel: 6345 1033
Jurong Point S. C.
1 Jurong Central 2 #02-21
Tel: 6794 1335
Hougang Mall
90 Hougang Ave 10 #04-17
Tel: 6285 6301

Handphone SHOP

Main Branch (Suntec City Mall)
#02-054
Tel: 6333 6222
Ang Mo Kio Central
Blk 726 #01-4162
Tel: 6458 7259
Bedok Central
Blk 211 #01-747
Tel: 6245 2268
Clementi Central
Blk 449 #01-263
Tel: 6779 2122
Holland Village Mall
#02-09 Holland Village Shopping Mall
Tel: 6466 3716
Jurong Point
#03-15
Tel: 6792 2228
Toa Payoh HDB Hub
Blk 190 #01-548
Tel:6358 2268
Yishun Chong Pang City
Blk 101 Yishun Ave 5 #01-89
Tel: 6257 0318
Century Square S. C.
#04-14A
Tel: 6784 8079
Eastpoint Mall
#03-11
Tel: 6781 8061
Hougang
Blk 108 Hougang Ave 1 #01-1265
Tel: 6288 3088
Hougang Point Festival Market
#01-051, Hougang St. 91
Tel: 6384 2088
Kallang Bahru
Blk 71 #02-531
Tel: 6294 2138
Marina Square (inside Gain City)
#03-100 to 107
Tel: 6339 2508
Marine Parade Central
Blk 87 #01-500D
Tel: 6344 0489
Pasir Ris
Blk 442 Pasir Ris Drive 6 #01-40
Tel: 6583 7188
Pasir Ris
Blk 735 Pasir Ris St. 72 #01-328
Tel: 6583 9626
Queensway S. C.
#02-44
Tel: 6472 5519
Taman Jurong S. C.
Blk 399 Yung Sheng Rd #01-47
Tel: 6264 8348
Toa Payoh
Blk 185 #01-342
Tel: 6253 6638
Toa Payoh Central
Blk 178 #01-232
Tel: 6253 4580
Ubi Ave 1
Blk 304 #01-113
Tel: 6747 7586
VivoCity
1 Harbourfront Walk #02-26
Tel: 6376 8026

3 MOBILE

Ang Mo Kio
Blk 722 Ang Mo Kio Ave 8 #01-2835
Tel: 6453 7318
Ang Mo Kio
Blk 726 Ang Mo Kio Ave 6 #01-4162
Tel: 6554 1493
Bedok Central
Blk 211 New Upp. Changi Rd #01-747
Tel: 6448 5892
Bedok North
Blk 214 Bedok North St 1 #01-169
Tel: 6448 7310
Boon Lay S. C.
Blk 221 Boon Lay Place #01-116
Tel: 6265 6020
Bukit Batok
Blk 154 Bt Batok St 11 #01-312
Tel: 6569 1285
Century Square
2 Tampines Central 5 #05-22
Tel: 6787 3403
Clementi Central
Blk 449 Clementi Ave 3 #01-263
Tel: 6873 2511
Compass Point S. C.
1 SengKang Square #02-32
Tel: 6489 0761
Funan DigitaLife Mall
109 North Bridge Road #01-11
Tel: 6339 4340
West Coast
Blk 727 Clementi West St 2 #01-240
Tel: 6773 5335
Hougang Green
21 Hougang Green Shopping Mall
St 51 #01-27
Tel: 6387 8255
IMM Building
2 Jurong East #L2-16
Tel: 6562 6388
Junction 8 S. C.
9 Bishan Place #02-32
Tel: 6352 9530
Jurong East
Blk 132 Jurong East St 13
#01-283
Tel: 6569 6118
Jurong Point S.C.
1 Jurong West Central 2
#03-25A
Tel: 6795 1961
Jurong West
Blk 495 Jurong West St 41 #01-86
Tel: 6565 5569
Jurong West
Blk 501 Jurong West St 51 #01-271
Tel: 6567 5165
Peninsula Plaza
111 North Bridge Road #01-25
Tel: 6334 0178
Sim Lim Square
1 Rochor Canal #01-64/S6
Tel: 6337 1322
Snap n Talk
80 Marine Parade Road
Parkway Parade #B1-153
Tel: 6348 7533
Sun Plaza
30 Sembawang Drive #B1-18
Tel: 6753 5082
TANGS Orchard (Technobay)
310/320 Orchard Road Level 3
Tel: 6733 7533
Tampines
Blk 503 Tampines Central 1 #01-291
Tel: 6260 1033
Tampines Mart
No.11 Tampines Mart, St 32 #01-02A
Tel: 6781 8355
The Arcade
11 Collyer Quay #01-38
Tel: 6227 4525
Toa Payoh
Blk 186 Toa Payoh Central #01-426
Tel: 6258 1959
VivoCity
1 Harbourfront Walk #02-08
Tel: 6376 8102

Best Denki outlets:

Century Square	Tel: 6787 3313
Great World City	Tel: 6737 3363
IMM	Tel: 6567 3313
Junction 8	Tel: 6353 3033
Ngee Ann City	Tel: 6732 3319
Parkway Parade	Tel: 6344 9022
Plaza Singapura	Tel: 6835 7533
VivoCity	Tel: 6376 9621

mDR Limited
Co. Reg. No. 200009059G
20 Toh Guan Road #07-00 CJ GLS Building Singapore 608839 Phone : +65 6410 2600 Fax : +65 6410 2610