



ISSUE OF 1.5% EQUITY-LINKED REDEEMABLE NON-RECALLABLE STRUCTURED CONVERTIBLE NOTES DUE 2010 – CONVERSION

Capitalised terms not expressly defined herein shall have the same meaning as ascribed to them in the Company's Circular dated 21 December 2007.

The Board of Directors of mDR Limited (the "**Company**") wishes to announce that Value Capital Asset Management ("**VCAM**"), in its capacity as investment manager to Advanced Opportunities Fund, has exercised to convert an additional aggregate principal amount of S\$500,000 in respect of the first sub-tranche Tranche 1 Notes, at the Floating Conversion Price of S\$0.0270.

To date, an aggregate amount of S\$1,500,000 has been converted by VCAM, leaving an outstanding balance of S\$1,500,000 in respect of the first sub-tranche of Tranche 1 Notes yet to be converted.

The Floating Conversion Price of S\$0.0270 is based on 90% of the average of the five consecutive closing prices per share of the Company on 6 May 2008, 7 May 2008, 8 May 2008, 9 May 2008 and 12 May 2008, as traded on the Official List of the SGX-ST, and in accordance with the terms and conditions of the Subscription Agreement dated 5 November 2007.

The aggregate number of new shares to be allotted to VCAM is 18,518,518 ordinary shares.

The new shares arising from the conversion of the Notes in aggregate do not exceed 50% of the share capital of the Company.

None of the Directors of Substantial Shareholders have any direct or indirect interest in the above transaction.

BY ORDER OF THE BOARD
HUANG WENJIAN EUGENE
Legal and Corporate Affairs Manager
Company Secretary

Singapore
4 June 2008