



mDR Limited

Third Quarter Financial Statements for the Period Ended 30 September 2019

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

In S\$'000	Notes	3Q-19	3Q-18	Inc/(Dec) %	YTD-19	YTD-18	Inc/(Dec) %
Continuing operations							
Revenue	1	73,527	67,419	9%	209,866	192,432	9%
Cost of sales	1	<u>(65,135)</u>	<u>(60,790)</u>	7%	<u>(184,905)</u>	<u>(172,779)</u>	7%
Gross profit	1	8,392	6,629	27%	24,961	19,653	27%
Other income	2	191	77	148%	654	292	124%
Administrative expenses	3	(4,822)	(4,513)	7%	(14,361)	(13,047)	10%
Other operating expenses	4	(1,349)	(1,540)	-12%	(4,673)	(4,505)	4%
Finance costs	5	<u>(415)</u>	<u>(106)</u>	292%	<u>(1,037)</u>	<u>(284)</u>	265%
Total expenses		<u>(6,586)</u>	<u>(6,159)</u>	7%	<u>(20,071)</u>	<u>(17,836)</u>	13%
Operating profit before share of profit of associate and income tax		<u>1,997</u>	<u>547</u>	265%	<u>5,544</u>	<u>2,109</u>	163%
Share of profit (loss) of associate		<u>2</u>	<u>(3)</u>	N.M.	<u>5</u>	<u>2</u>	150%
Profit before income tax		1,999	544	267%	5,549	2,111	163%
Income tax expense	6	<u>(105)</u>	<u>(106)</u>	-1%	<u>(391)</u>	<u>(291)</u>	34%
Profit for the period from continuing operations		1,894	438	332%	5,158	1,820	183%
Discontinued operations							
Profit (Loss) for the period from discontinued operations	7	<u>(3)</u>	<u>2</u>	N.M.	<u>(3)</u>	<u>(63)</u>	-95%
Profit for the period		1,891	440	330%	5,155	1,757	193%
Other comprehensive income							
Items that will not be reclassified subsequently to profit or loss							
Net fair value changes in equity securities carried at fair value through other comprehensive income		(6,669)	(30)	22130%	(7,104)	(2,966)	140%
Items that may be reclassified subsequently to profit or loss							
Currency translation differences arising on consolidation		<u>33</u>	<u>(89)</u>	N.M.	<u>-</u>	<u>21</u>	N.M.
Other comprehensive loss for the period, net of tax		<u>(6,636)</u>	<u>(119)</u>	5476%	<u>(7,104)</u>	<u>(2,945)</u>	141%
Total comprehensive (loss) income for the period		<u>(4,745)</u>	<u>321</u>	N.M.	<u>(1,949)</u>	<u>(1,188)</u>	64%
Profit (Loss) attributable to:							
Owners of the Company		1,884	428	340%	5,118	1,760	191%
Non-controlling interests		<u>7</u>	<u>12</u>	-42%	<u>37</u>	<u>(3)</u>	N.M.
Total comprehensive income		<u>1,891</u>	<u>440</u>	330%	<u>5,155</u>	<u>1,757</u>	193%
Total comprehensive (loss) income attributable to:							
Owners of the Company		<u>(4,754)</u>	<u>240</u>	N.M.	<u>(1,988)</u>	<u>(1,262)</u>	-58%
Non-controlling interests		<u>9</u>	<u>81</u>	-89%	<u>39</u>	<u>74</u>	47%
		<u>(4,745)</u>	<u>321</u>	N.M.	<u>(1,949)</u>	<u>(1,188)</u>	-64%

N.M. : Not Meaningful

1(a)(i) Breakdown and explanatory notes to the income statement

Note 1 Revenue, cost of sales and gross profit

The Group operates in four business segments – After Market Services (AMS), Distribution Management Solutions (DMS), Digital Inkjet Printing for Out-Of-Home Advertising Solutions (DPAS) and Investment.

The breakdown of revenue and cost of goods sold are as follows:

In S\$'000	3Q-19	3Q-18	YTD-19	YTD-18
Revenue				
AMS	5,202	6,209	15,336	18,977
DMS	64,863	59,415	184,477	167,538
DPAS	1,435	1,304	4,545	4,693
Investment	2,027	491	5,508	1,224
	<u>73,527</u>	<u>67,419</u>	<u>209,866</u>	<u>192,432</u>
Cost of goods sold				
AMS	(3,848)	(4,744)	(11,241)	(14,264)
DMS	(60,255)	(55,109)	(170,358)	(155,258)
DPAS	(1,032)	(937)	(3,306)	(3,257)
Investment	-	-	-	-
	<u>(65,135)</u>	<u>(60,790)</u>	<u>(184,905)</u>	<u>(172,779)</u>
Gross profit				
AMS	1,354	1,465	4,095	4,713
DMS	4,608	4,306	14,119	12,280
DPAS	403	367	1,239	1,436
Investment	2,027	491	5,508	1,224
	<u>8,392</u>	<u>6,629</u>	<u>24,961</u>	<u>19,653</u>
GP%				
AMS	26%	24%	27%	25%
DMS	7%	7%	8%	7%
DPAS	28%	28%	27%	31%
Investment	100%	100%	100%	100%
	<u>11%</u>	<u>10%</u>	<u>12%</u>	<u>10%</u>

Note 2 Other income consists of the following:

In S\$'000	3Q-19	3Q-18	YTD-19	YTD-18
Interest income on fixed deposits	3	83	21	121
Rental income	150	5	458	15
Liabilities (Reversal of liabilities) written back	6	(50)	6	(50)
Wage credit	-	-	61	113
Others	32	39	108	93
	<u>191</u>	<u>77</u>	<u>654</u>	<u>292</u>

Higher rental income in 3Q-19 and YTD-19 was due to the recovery of rental support from principal, classified as other income in 3Q-19 and YTD-19 while the rental support was recorded net of rental expenses in 3Q-18 and YTD-18, following the adoption of SFRS (I) 16 Leases on 1 January 2019, as explained in Section 5.

Note 3 Administrative expenses

The administrative expenses comprise mainly staff cost.

In S\$'000	3Q-19	3Q-18	YTD-19	YTD-18
Staff Cost				
AMS	922	983	2,836	3,103
DMS	1,836	1,754	5,404	5,249
DPAS	167	181	507	506
Management and HQ support staff costs (including Directors' fees)	1,105	811	3,262	2,064
	<u>4,030</u>	<u>3,729</u>	<u>12,009</u>	<u>10,922</u>

The increase in staff costs for management and HQ support was mainly due to the transfer of headcount from DMS since 3Q-18, annual salary increment, bonus provision and other performance related adjustments.

Note 4 Other operating expenses

Other operating expenses consist of the following:

In S\$'000	3Q-19	3Q-18	YTD-19	YTD-18
Rental expenses	253	1,091	753	3,284
Depreciation expenses	1,282	225	3,829	654
Plant and equipment written off	1	8	3	42
Gain on disposal of plant and equipment	(9)	(8)	(35)	(3)
Gain on disposal of investments in debt securities	(17)	-	(17)	-
(Reversal of) Loss allowance for trade receivables	(3)	(3)	(29)	9
Allowance for inventories	241	107	429	351
Foreign exchange (gain) loss	(399)	120	(260)	168
	<u>1,349</u>	<u>1,540</u>	<u>4,673</u>	<u>4,505</u>

Lower rental expenses in 3Q-19 and YTD-19 mainly pertains to the adoption of SFRS (I) 16 which requires lessees to recognise new assets and liabilities under an on-balance sheet accounting model and details are explained in Section 5.

Included in depreciation expenses is the depreciation of right-of-use assets amounting to \$987,000 and \$3,040,000 in 3Q-19 and YTD-19 respectively (3Q-18 and YTD-18 : \$Nil).

Note 5 Finance costs

In S\$'000	3Q-19	3Q-18	YTD-19	YTD-18
Interest expense on bank loans	322	92	728	237
Interest expense on lease liabilities	93	14	309	47
	<u>415</u>	<u>106</u>	<u>1,037</u>	<u>284</u>

Following the adoption of SFRS (I) 16 Leases on 1 January 2019, the Group recognises interest expenses on the lease liabilities which resulted in the increases in 3Q-19 and YTD-19.

Note 6 Income tax expense

The tax expense provision is calculated for profitable subsidiaries.

Note 7 Income statement for discontinued operations

In S\$'000	3Q-19	3Q-18	YTD-19	YTD-18
Revenue	-	-	-	-
Cost of sales	-	-	-	(40)
Gross (loss) profit	-	-	-	(40)
Other operating income	-	-	-	-
Administrative expenses	-	-	-	-
Other operating expenses	(3)	2	(3)	(23)
(Loss) Profit before income tax	(3)	2	(3)	(63)
Income tax expense	-	-	-	-
(Loss) Profit for the period from discontinued operations	(3)	2	(3)	(63)
(Loss) Profit attributable to:				
Owners of the Company	-	3	-	(35)
Non-controlling interests	(3)	(1)	(3)	(28)
	(3)	2	(3)	(63)

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

1(b)(i) Statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

In S\$'000	Notes	Group		Company	
		30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
ASSETS					
Current assets					
Cash and bank balances		7,854	8,447	907	1,082
Trade receivables	1	24,136	23,768	1,671	1,522
Other receivables and prepayments	2	12,991	5,621	27,420	28,917
Inventories	3	32,482	29,921	1,206	1,174
Investment in debt securities	6	15,713	-	15,713	-
Total current assets		93,176	67,757	46,917	32,695
Non-current assets					
Investment in subsidiaries		-	-	20,835	20,835
Investment in an associate		19	14	-	-
Property, plant and equipment	4	17,749	11,097	1,445	885
Goodwill		2,798	2,798	-	-
Investment in equity securities	5	56,194	79,054	56,194	79,054
Investment in debt securities	6	42,156	-	42,156	-
Cash pledged		-	49	-	-
Total non-current assets		118,916	93,012	120,630	100,774
Total assets		212,092	160,769	167,547	133,469
Current liabilities					
Bank overdrafts and loans	7	55,348	14,626	50,100	8,986
Trade payables	8	21,097	10,779	1,353	1,515
Other payables	9	4,455	5,450	1,283	1,372
Lease liabilities	10	3,810	335	318	36
Income tax payable		353	8	-	-
Total current liabilities		85,063	31,198	53,054	11,909
Non-current liabilities					
Lease liabilities	10	3,831	411	145	71
Deferred tax liabilities		361	364	-	-
Total non-current liabilities		4,192	775	145	71
Capital, reserves and non-controlling interests					
Share capital		126,497	220,312	126,497	220,312
Treasury shares		(3)	-	(3)	-
Capital reserve		(325)	(325)	22	22
Investment revaluation reserve		(12,606)	(5,868)	(12,606)	(5,868)
Property revaluation reserve		751	751	-	-
Foreign currency translation reserve		37	39	-	-
Retained earnings (Accumulated losses)		9,951	(84,609)	438	(92,977)
Equity attributable to owners of the Company		124,302	130,300	114,348	121,489
Non-controlling interests		(1,465)	(1,504)	-	-
Total equity		122,837	128,796	114,348	121,489
Total liabilities and equity		212,092	160,769	167,547	133,469

Notes

1 Trade receivables

The Group's trade receivables turnover as at 30 September 2019 is 31 days (31 December 2018: 31 days).

2 Other receivables and prepayments

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

S\$'000	30-Sep-19	31-Dec-18
Rental deposits	1,244	1,105
Other receivables	10,511	3,509
Prepayments	219	319

Other receivables of \$10.5 million as at 30 September 2019 comprised mainly of \$6.7 million to be received from principals and operators in relation to cost recovery of handsets issued on behalf, sell through, advertising and promotion support and \$2.5 million loan to a third party.

3 Inventories

The Group's inventory turnover for the quarter ended 30 September 2019 is 46 days (31 December 2018: 37 days).

The higher inventory turnover days mainly resulted from the higher volume of handsets purchased to meet the demand for new launches in 3Q-19.

4 Property, plant and equipment

S\$'000	30-Sep-19	31-Dec-18
Property, plant and equipment	11,048	11,097
Right-of-use assets	6,701	-
	<u>17,749</u>	<u>11,097</u>

Property, plant and equipment increased by \$6.7 million mainly due to the recognition of right-of-use assets of \$6.7 million on the adoption of SFRS (I) 16 Leases as disclosed in Section 5, on 1 January 2019.

The right-of-use assets as at 30 September 2019 were mainly related to leases of its office premises, retail outlets and service centres. Accordingly, lease liabilities of \$7.1 million was recorded as at 30 September 2019.

5 Investment in equity securities

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

In 3Q-19, the Group has invested \$3.1 million in equity securities and there was no disposal made in the quarter. In YTD-19, total investment in equity securities amounted to \$3.6 million while the Group disposed \$19.7 million of equity securities.

As at 30 September 2019, the Group invested in investment securities of companies which are broadly categorised within the following business sectors:

Business Sectors	%
Real estate	43.1%
Infrastructure	26.0%
Sports	12.8%
Leisure and hospitality	12.2%
Transportation	2.6%
Agriculture	1.5%
Commodities	1.8%
TOTAL	100.0%

Below is the key information of the investment securities as at 30 September 2019:

By Market Concentration	%
\$1 billion and above	85.3%
\$500 million to \$1 billion	12.9%
\$200 million to \$500 million	1.8%
\$200 million and below	0.0%
TOTAL	100.0%

By Exchange (based on primary listing and market value)	%
SGX	96.0%
HKEX	4.0%
TOTAL	100.0%

By Currencies (based on market value)	%
SGD	70.0%
USD	26.0%
HKD	4.0%
TOTAL	100.0%

Weighted portfolio Information (based on simple weighted average calculation)	
Market Capitalisation	\$2.41 billion
Dividend Yield	6.23%
5-year Beta	0.790
P/B	0.61x
EV/EBITDA	17.44x
Debt/EBITDA	10.59x

(Data derived from SGX "Stock Screener" or Yahoo Finance as at 30 September 2019)

6 Investment in debt securities

In 3Q-19, the Group has invested \$10.3 million in debt securities and redeemed \$2.7 million of debt securities. In YTD-19, total investment in debt securities amounted to \$59.4 million while the Group redeemed \$2.7 million of debt securities.

As at 30 September 2019, the Group invested in bonds and the issuers of the debt securities are of companies broadly categorised within the following business sectors:

Business Sectors	%
Real estate	87.4%
Consumer products	9.7%
Agriculture	2.9%
TOTAL	100.0%

Below is the key information of the bonds as at 30 September 2019:

By Exchange (based on purchase consideration)	%
SGX	52.5%
HKEX	47.5%
TOTAL	100.0%

By Currencies (based on purchase consideration)	%
USD	94.0%
SGD	6.0%
TOTAL	100.0%

By Credit Rating (based on purchase consideration)	%
BBB	4.8%
BB+	32.8%
BB	9.6%
BB-	35.9%
B+	16.9%
TOTAL	100.0%

(Data extracted from S&P Global Ratings, where applicable)

Weighted portfolio Information (based on simple weighted average calculation)	
Yield to Maturity	6.1%
Duration	1.13 years

The Group has classified debt securities which will mature within 12 months from 30 September 2019 under current assets.

7 Bank overdrafts and loans

Bank overdrafts and loans comprised mainly of bank loans of \$3.9 million secured for the financing of property in Malaysia for DPAS operations, term loans of \$46.5 million for the investment in debt securities and bank overdrafts of \$3.6 million for the investment in equity securities and working capital.

8 Trade payables

The Group's trade payables turnover as at 30 September 2019 is 23 days (31 December 2018: 17 days).

Higher trade payables turnover days mainly pertained to higher payables for inventories purchased.

9 Other payables

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

S\$'000	30-Sep-19	31-Dec-18
Advertising, promotion and sell through funds from principals	970	1,372
Accrued staff costs	1,068	1,390
Other accrued operating expenses	856	874

10 Lease liabilities

The significant increase in lease liabilities in the period mainly pertained to the adoption of SFRS (I) 16 Leases as disclosed in Section 5, on 1 January 2019.

11 Working capital

Out of the Company's total investment portfolio of \$114.1 million, \$98.4 million is classified under non-current assets. These investments are not for trading but held for the long term to generate investment returns/income (interest, dividends and capital gains). As at 30 September 2019, the Company recorded a negative working capital of \$6.1 million. This was mainly attributable to the bank loans utilized towards financing investments in securities. The Company is of the view that it is able to repay the aforesaid loans as and when they fall due.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30-Sep-19		As at 31-Dec-18	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
55,675	3,483	14,961	-

Amount repayable after one year

As at 30-Sep-19		As at 31-Dec-18	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
181	3,650	411	-

Details of collateral

The secured borrowings comprise mainly of outstanding finance lease of \$0.5 million on certain motor vehicles and machinery, bank loan of \$3.9 million secured against an open legal mortgage over a commercial property in Malaysia and term loan and bank overdrafts of \$50.1 million secured against the equity and debt securities.

1(c) **A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

In S\$'000	3Q-19	3Q-18	YTD-19	YTD-18
Operating activities				
Profit before income tax from continuing operations	1,999	544	5,549	2,111
(Loss) Profit before income tax from discontinued operations	(3)	2	(3)	(63)
	<u>1,996</u>	<u>546</u>	<u>5,546</u>	<u>2,048</u>
Adjustments for:				
Depreciation expenses	1,442	413	4,353	1,247
Interest expenses	415	106	1,037	284
Interest income from fixed deposits	(3)	(83)	(21)	(121)
Interest income from loan to a third party	(94)	-	(251)	(319)
Interest income from investment in debt securities	(820)	-	(1,526)	-
Dividend income	(1,113)	(491)	(3,731)	(905)
Gain on disposal of plant and equipment	(9)	(8)	(35)	(3)
Gain on disposal of debt securities	(17)	-	(17)	-
Plant and equipment written off	1	8	3	42
(Liabilities written back) Reversal of liabilities written back	(6)	50	(6)	50
Allowance for inventories	241	107	429	351
(Reversal of) Loss allowance for trade receivables	(3)	(3)	(29)	9
Share of (profit) loss of an associate	(2)	3	(5)	(2)
Net foreign exchange (gain) loss	(327)	120	(259)	173
Operating cash flows before movements in working capital	<u>1,701</u>	<u>768</u>	<u>5,488</u>	<u>2,854</u>
Trade receivables	(4,874)	(4,298)	(339)	(2,624)
Other receivables and prepayments	(3,489)	(1,255)	(4,398)	(2,229)
Inventories	3,594	4,553	(2,990)	(1,612)
Trade payables	3,563	3,200	10,320	6,673
Other payables	136	(781)	(1,007)	(1,435)
Cash generated from operations	<u>631</u>	<u>2,187</u>	<u>7,074</u>	<u>1,627</u>
Income tax (paid) refund	(50)	(25)	132	(145)
Interest received	3	83	21	121
Net cash from operating activities	<u>584</u>	<u>2,245</u>	<u>7,227</u>	<u>1,603</u>
Investing activities				
Proceeds from disposal of plant and equipment	26	4	42	4
Purchase of plant and equipment (Note A)	(711)	(69)	(1,226)	(1,186)
Proceeds from disposal of investment securities	-	-	19,377	-
Purchase of investment securities	(3,054)	-	(3,621)	(7,361)
Proceeds from disposal of debt securities	2,737	-	2,737	-
Purchase of debt securities	(10,264)	-	(59,435)	-
Loan to a third party	-	-	(2,500)	-
Repayment of loan from a third party	-	-	-	3,600
Interest received from loan to a third party	94	-	251	551
Interest received from debt securities	728	-	838	-
Dividend income from investment securities	1,113	491	3,731	905
Net cash (used in) from investing activities	<u>(9,331)</u>	<u>426</u>	<u>(39,806)</u>	<u>(3,487)</u>
Financing activities				
Proceeds from issuance of ordinary shares, net	170	223	405	31,070
Purchase of treasury shares	-	-	(3)	-
Interest paid	(397)	(64)	(1,009)	(242)
Repayment of lease liabilities	(1,099)	(149)	(3,331)	(386)
Uplift of cash pledged	-	1,400	49	1,400
Dividends paid to shareholders	(2,004)	-	(4,008)	(1,000)
Repayment of bank borrowings	(33,537)	(1,498)	(83,754)	(1,693)
Proceeds from bank borrowings	43,533	-	123,638	4,664
Net cash from (used in) financing activities	<u>6,666</u>	<u>(88)</u>	<u>31,987</u>	<u>33,813</u>
Net (decrease) increase in cash and cash equivalents	(2,081)	2,583	(592)	31,929
Cash and cash equivalents at beginning of period	9,937	40,925	8,447	11,579
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2)	-	(1)	-
Cash and cash equivalents at end of period (Note B)	<u>7,854</u>	<u>43,508</u>	<u>7,854</u>	<u>43,508</u>

Note**A. Purchase of property, plant and equipment:**

In 3Q-19, the Group acquired plant and equipment with an aggregate cost of \$724,000 (3Q-18: \$ 101,000) of which \$13,000 (3Q-18: \$32,000) was acquired under finance lease arrangements.

In YTD-19, the Group acquired plant and equipment with an aggregate cost of \$1,245,000 (YTD-18: \$ 1,218,000) of which \$19,000 (YTD-18: \$32,000) was acquired under finance lease arrangements.

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

In S\$'000	3Q-19	3Q-18
Cash	7,854	43,548
Less: Cash pledged	-	(40)
Cash and cash equivalents	<u>7,854</u>	<u>43,508</u>

1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

<u>In S\$'000</u> Group	<u>Share capital</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Investment revaluation reserve</u>	<u>Property revaluation reserve</u>	<u>Share options reserve</u>	<u>Currency translation reserve</u>	<u>(Accumulated losses) Retained earnings</u>	<u>Attributable to equity holders of the Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
Balance as at 31 December 2018	220,312	-	(325)	(5,868)	751	-	39	(84,609)	130,300	(1,504)	128,796
Effects of adopting SFRS (I) 16*	-	-	-	-	-	-	-	(404)	(404)	-	(404)
Balance as at 1 January 2019	220,312	-	(325)	(5,868)	751	-	39	(85,013)	129,896	(1,504)	128,392
Total comprehensive income (loss) for the period											
Profit for the period	-	-	-	-	-	-	-	1,548	1,548	18	1,566
Loss on disposal of investment securities transferred between reserves	-	-	-	366	-	-	-	(366)	-	-	-
Other comprehensive income for the period	-	-	-	2,947	-	-	82	-	3,029	1	3,030
Total	-	-	-	3,313	-	-	82	1,182	4,577	19	4,596
Transactions with owners, recognised directly in equity											
Issue of shares pursuant to rights cum warrants issue	39	-	-	-	-	-	-	-	39	-	39
Purchase of treasury shares	-	(3)	-	-	-	-	-	-	(3)	-	(3)
Total	39	(3)	-	-	-	-	-	-	36	-	36
Balance as at 31 March 2019	220,351	(3)	(325)	(2,555)	751	-	121	(83,831)	134,509	(1,485)	133,024
Total comprehensive income (loss) for the period											
Profit for the period	-	-	-	-	-	-	-	1,686	1,686	12	1,698
Other comprehensive loss for the period	-	-	-	(3,382)	-	-	(115)	-	(3,497)	(1)	(3,498)
Total	-	-	-	(3,382)	-	-	(115)	1,686	(1,811)	11	(1,800)
Transactions with owners, recognised directly in equity											
Issue of shares pursuant to rights cum warrants issue	196	-	-	-	-	-	-	-	196	-	196
Expense in relation to issuance of right shares	-	-	-	-	-	-	-	-	-	-	-
Capital reduction*	(94,220)	-	-	-	-	-	-	94,220	-	-	-
Dividends	-	-	-	-	-	-	-	(2,004)	(2,004)	-	(2,004)
Total	(94,024)	-	-	-	-	-	-	92,216	(1,808)	-	(1,808)
Balance as at 30 June 2019	126,327	(3)	(325)	(5,937)	751	-	6	10,071	130,890	(1,474)	129,416

<u>In S\$'000</u> Group	<u>Share capital</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Investment revaluation reserve</u>	<u>Property revaluation reserve</u>	<u>Share options reserve</u>	<u>Currency translation reserve</u>	<u>(Accumulated losses) Retained earnings</u>	<u>Attributable to equity holders of the Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
Balance as at 30 June 2019	126,327	(3)	(325)	(5,937)	751	-	6	10,071	130,890	(1,474)	129,416
Total comprehensive income (loss) for the period											
Profit for the period	-	-	-	-	-	-	-	1,884	1,884	7	1,891
Other comprehensive (loss) income for the period	-	-	-	(6,669)	-	-	31	-	(6,638)	2	(6,636)
Total	-	-	-	(6,669)	-	-	31	1,884	(4,754)	9	(4,745)
Transactions with owners, recognised directly in equity											
Issue of shares pursuant to rights cum warrants issue	170	-	-	-	-	-	-	-	170	-	170
Dividends	-	-	-	-	-	-	-	(2,004)	(2,004)	-	(2,004)
Total	170	-	-	-	-	-	-	(2,004)	(1,834)	-	(1,834)
Balance as at 30 September 2019	<u>126,497</u>	<u>(3)</u>	<u>(325)</u>	<u>(12,606)</u>	<u>751</u>	<u>-</u>	<u>37</u>	<u>9,951</u>	<u>124,302</u>	<u>(1,465)</u>	<u>122,837</u>

* The Group has adopted SFRS (I) 16 on 1 January 2019 and adjusted the opening retained earnings by the cumulative effect of initially applying the standards. Please refer to Section 5 for further details.

* Upon completion of the capital reduction on 14 June 2019, the share capital of the Company was reduced by the cancellation of the share capital to the extent of the accumulated losses of the Company up to 31 December 2017 of \$94,219,774.

<u>In S\$'000</u> Group	<u>Share capital</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Investment revaluation reserve</u>	<u>Property revaluation reserve</u>	<u>Share options reserve</u>	<u>Currency translation reserve</u>	<u>(Accumulated losses) Retained earnings</u>	<u>Attributable to equity holders of the Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
Balance as at 31 December 2017	153,652	-	(859)	(1,850)	751	145	(738)	(85,465)	65,636	(1,518)	64,118
Adoption of the SFRS (I)	-	-	-	-	-	-	825	(825)	-	-	-
Balance as at 1 January 2018	153,652	-	(859)	(1,850)	751	145	87	(86,290)	65,636	(1,518)	64,118
Total comprehensive income (loss) for the period											
Profit for the period	-	-	-	-	-	-	-	756	756	28	784
Other comprehensive (loss) income for the period	-	-	-	(1,543)	-	-	122	-	(1,421)	(1)	(1,422)
Total	-	-	-	(1,543)	-	-	122	756	(665)	27	(638)
Balance as at 31 March 2018	153,652	-	(859)	(3,393)	751	145	209	(85,534)	64,971	(1,491)	63,480
Total comprehensive income for the period											
Profit (loss) for the period	-	-	-	-	-	-	-	576	576	(43)	533
Other comprehensive (loss) income for the period	-	-	-	(1,393)	-	-	(20)	-	(1,413)	9	(1,404)
Total	-	-	-	(1,393)	-	-	(20)	576	(837)	(34)	(871)
Transactions with owners, recognised directly in equity											
Issue of shares pursuant to rights cum warrants issue	31,166	-	-	-	-	-	-	-	31,166	-	31,166
Expense in relation to issuance of right shares	(319)	-	-	-	-	-	-	-	(319)	-	(319)
Dividends	-	-	-	-	-	-	-	(1,000)	(1,000)	-	(1,000)
Transfer between reserves upon expiry of share options	-	-	-	-	-	(145)	-	145	-	-	-
Total	30,847	-	-	-	-	(145)	-	(855)	29,847	-	29,847
Balance as at 30 June 2018	184,499	-	(859)	(4,786)	751	-	189	(85,813)	93,981	(1,525)	92,456
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	428	428	12	440
Other comprehensive (loss) income for the period	-	-	-	(30)	-	-	(158)	-	(188)	69	(119)
Total	-	-	-	(30)	-	-	(158)	428	240	81	321
Transactions with owners, recognised directly in equity											
Issue of shares pursuant to rights cum warrants issue	232	-	-	-	-	-	-	-	232	-	232
Expense in relation to issuance of right shares	(9)	-	-	-	-	-	-	-	(9)	-	(9)
Waiver of loan from third party	-	-	534	-	-	-	-	-	534	-	534
Total	223	-	534	-	-	-	-	-	757	-	757
Balance as at 30 September 2018	184,722	-	(325)	(4,816)	751	-	31	(85,385)	94,978	(1,444)	93,534

<u>In S\$'000</u>	<u>Share capital</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Investment revaluation reserve</u>	<u>Share options reserve</u>	<u>(Accumulated losses) Retained earnings</u>	<u>Total</u>
Company							
Balance as at 31 December 2018	220,312	-	22	(5,868)	-	(92,977)	121,489
Adoption of the SFRS (I) 16*	-	-	-	-	-	(53)	(53)
Balance as at 1 January 2019	<u>220,312</u>	<u>-</u>	<u>22</u>	<u>(5,868)</u>	<u>-</u>	<u>(93,030)</u>	<u>121,436</u>
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	849	849
Loss on disposal of investment securities	-	-	-	366	-	(366)	-
Other comprehensive income for the period	-	-	-	2,947	-	-	2,947
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,313</u>	<u>-</u>	<u>483</u>	<u>3,796</u>
Transactions with owners, recognised directly in equity							
Issue of shares pursuant to rights cum warrants issue	39	-	-	-	-	-	39
Purchase of treasury shares	-	(3)	-	-	-	-	(3)
Total	<u>39</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36</u>
Balance as at 31 March 2019	<u>220,351</u>	<u>(3)</u>	<u>22</u>	<u>(2,555)</u>	<u>-</u>	<u>(92,547)</u>	<u>125,268</u>
Total comprehensive income (loss) for the period							
Profit for the period	-	-	-	-	-	1,163	1,163
Other comprehensive loss for the period	-	-	-	(3,382)	-	-	(3,382)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,382)</u>	<u>-</u>	<u>1,163</u>	<u>(2,219)</u>
Transactions with owners, recognised directly in equity							
Issue of shares pursuant to rights cum warrants issue	196	-	-	-	-	-	196
Capital reduction*	(94,220)	-	-	-	-	94,220	-
Dividends	-	-	-	-	-	(2,004)	(2,004)
Total	<u>(94,024)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,216</u>	<u>(1,808)</u>
Balance as at 30 June 2019	<u>126,327</u>	<u>(3)</u>	<u>22</u>	<u>(5,937)</u>	<u>-</u>	<u>832</u>	<u>121,241</u>
Total comprehensive income (loss) for the period							
Profit for the period	-	-	-	-	-	1,610	1,610
Other comprehensive loss for the period	-	-	-	(6,669)	-	-	(6,669)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,669)</u>	<u>-</u>	<u>1,610</u>	<u>(5,059)</u>
Transactions with owners, recognised directly in equity							
Issue of shares pursuant to rights cum warrants issue	170	-	-	-	-	-	170
Dividends	-	-	-	-	-	(2,004)	(2,004)
Total	<u>170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,004)</u>	<u>(1,834)</u>
Balance as at 30 September 2019	<u>126,497</u>	<u>(3)</u>	<u>22</u>	<u>(12,606)</u>	<u>-</u>	<u>438</u>	<u>114,348</u>

* The Company has adopted SFRS (I) 16 on 1 January 2019 and adjusted the opening retained earnings by the cumulative effect of initially applying the standards. Please refer to Section 5 for further details.

* Upon completion of the capital reduction on 14 June 2019, the share capital of the Company was reduced by the cancellation of the share capital to the extent of the accumulated losses of the Company up to 31 December 2017 of \$94,219,774

<u>In S\$'000</u> Company	Share capital	Treasury shares	Capital reserve	Investment revaluation reserve	Share options reserve	(Accumulated losses) Retained earnings	Total
Balance as at 1 January 2018	153,652	-	22	(1,850)	145	(94,220)	57,749
Total comprehensive income (loss) for the period							
Profit for the period	-	-	-	-	-	436	436
Other comprehensive loss for the period	-	-	-	(1,543)	-	-	(1,543)
Total	-	-	-	(1,543)	-	436	(1,107)
Balance as at 31 March 2018	<u>153,652</u>	<u>-</u>	<u>22</u>	<u>(3,393)</u>	<u>145</u>	<u>(93,784)</u>	<u>56,642</u>
Total comprehensive income (loss) for the period							
Profit for the period	-	-	-	-	-	165	165
Other comprehensive loss for the period	-	-	-	(1,393)	-	-	(1,393)
Total	-	-	-	(1,393)	-	165	(1,228)
Transactions with owners, recognised directly in equity							
Issue of shares pursuant to rights cum warrants issue	31,166	-	-	-	-	-	31,166
Expense in relation to issuance of right shares	(319)	-	-	-	-	-	(319)
Dividends	-	-	-	-	-	(1,000)	(1,000)
Transfer between reserves upon expiry of share options	-	-	-	-	(145)	145	-
Total	<u>30,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(145)</u>	<u>(855)</u>	<u>29,847</u>
Balance as at 30 June 2018	<u>184,499</u>	<u>-</u>	<u>22</u>	<u>(4,786)</u>	<u>-</u>	<u>(94,474)</u>	<u>85,261</u>
Total comprehensive income (loss) for the period							
Profit for the period	-	-	-	-	-	206	206
Other comprehensive loss for the period	-	-	-	(30)	-	-	(30)
Total	-	-	-	(30)	-	206	176
Transactions with owners, recognised directly in equity							
Issue of shares pursuant to rights cum warrants issue	232	-	-	-	-	-	232
Expense in relation to issuance of right shares	(9)	-	-	-	-	-	(9)
Total	<u>223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>223</u>
Balance as at 30 September 2018	<u>184,722</u>	<u>-</u>	<u>22</u>	<u>(4,816)</u>	<u>-</u>	<u>(94,268)</u>	<u>85,660</u>

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Share Buy Back

There is no share buy back in 3Q-19.

Share Capital and Treasury Shares

In 3Q-19, the Company issued an additional 154,501,772 new ordinary shares through conversion of 154,501,772 Tranche 2 warrants at \$0.0011. As a result, the total number of ordinary shares in issue was 65,291,437,969 of which 2,480,800 was held by the Company as treasury shares as at 30 September 2019. The treasury shares held represents 0.004% of the total number of issued shares (excluding treasury shares). With the completion of the capital reduction on 14 June 2019 and the issuance of new ordinary shares through the conversion of Tranche 2 warrants, the share capital was \$126,496,882 as at 30 September 2019.

In 3Q-18, the Company issued an additional 231,520,500 new ordinary shares through conversion of 225,577,500 Tranche 1 Warrants at \$0.001 and 5,943,000 Tranche 2 Warrants at \$0.0011. As a result, the Company's issued and paid-up capital increased to \$184,721,803 divided into 29,337,174,243 shares as at 30 September 2018.

Warrants

On 18 June 2018, the Company issued 149,196,713,931 warrants and these warrants were subsequently listed on the SGX-ST on 22 June 2018. Each warrant carries the right to subscribe for one new ordinary shares in the capital of the Company.

The number of shares that may be issued on conversion of the Group's outstanding warrants as at 30 September 2019 is as follows:

	30-Sep-19
Tranche 2 warrants, \$0.0011 per warrant expiring on 17 December 2019	49,320,406,905
Tranche 3 warrants, \$0.0070 per warrant expiring on 17 June 2021	<u>49,732,237,977</u>
	<u>99,052,644,882</u>

There were 154,501,772 Tranche 2 warrants exercised in the quarter ended 30 September 2019. Tranche 1 warrants expired on 17 December 2018.

Share options

The Company had a share option scheme known as mDR Limited Share Option Scheme 2003 which was approved by members of the Company at the Extraordinary General Meeting held on 13 January 2003. The Scheme expired on 12 January 2013. Upon expiration of the Scheme, no further share option can be granted but the provisions of the Scheme will remain in full force and effect in respect of any share options granted prior to the expiration but not exercised at the time of expiration.

Following the expiry of the share options in May 2018, there will be no valid and exercisable option under the scheme.

Share Award Scheme

On 28 September 2018, the shareholders of the Company approved the share award scheme known as mDR Share Plan 2018. Under the mDR Share Plan 2018, the Company will deliver shares granted under an award by issuing new shares and/or transferring treasury shares free of charge, upon the participant satisfying such conditions as specified by the Committee administering the mDR Share Plan. As at 30 September 2019, no share award had been granted.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Number of ordinary shares	
	30-Sep -19	31-Dec-18
Total number of issued shares	65,291,437,969	64,923,277,197
Less: Treasury shares	<u>(2,480,800)</u>	<u>-</u>
Total number of issued shares excluding treasury shares	<u>65,288,957,169</u>	<u>64,923,277,197</u>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard**

The figures have not been audited or reviewed by the auditors of the Company.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the financial year ended 31 December 2018 except as explained in Note 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Application of SFRS (I) 16 Leases

SFRS (I) 16, Leases takes effect from financial year beginning on 1 January 2019. This standard requires lessees to adopt a single lease accounting model with most leases recognised in balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments. Recognition exemptions for low value assets and short term leases can be applied. The standard continues to adopt dual accounting lease model for lessor accounting.

The Group and the Company have applied SFRS (I) 16 using modified retrospective approach, with the cumulative effect of initial application amounting to \$404,000 and \$53,000 respectively as an adjustment to the opening retained earnings as at 1 January 2019. The comparative information has not been restated and to be reported under FRS 17.

Subsequent to initial recognition, the Group and the Company depreciate the right-of-use assets over the lease term and recognise interest expenses on the lease liabilities.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share <i>(based on consolidated net profit attributable to equity holders of the Company)</i>	3Q-19 cents	3Q-18 cents	YTD-19 cents	YTD-18 cents
From continuing and discontinued operations:				
- Basic	0.003	0.002	0.008	0.008
- Fully diluted	0.002	0.001	0.006	0.003
From continuing operations:				
- Basic	0.003	0.002	0.008	0.008
- Fully diluted	0.002	0.001	0.006	0.003
From discontinued operations:				
- Basic	-	-	-	-
- Fully diluted	-	-	-	-

Basic earnings per ordinary share is computed based on the weighted average number of shares in issue during the period of 65,122,134,465 (3Q-18: 21,871,383,655).

Fully diluted earnings per ordinary share is computed based on the weighted average number of shares during the period adjusted for the effect of all potential dilutive ordinary shares of 80,587,036,660 (3Q-18: 29,538,512,593).

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30-Sep-19 Cents	31-Dec-18 Cents	30-Sep-19 Cents	31-Dec-18 Cents
Net Asset Value ("NAV") per share	<u>0.19</u>	<u>0.20</u>	<u>0.18</u>	<u>0.19</u>

The NAV per share as at 30 September 2019 is calculated based on 65,288,957,169 (excluding 2,480,800 ordinary shares held as treasury shares) (31 December 2018: 64,923,277,197) ordinary shares.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

Revenue and profit after income tax

The Group's 3Q-19 revenue increased by 9% from \$67.4 million in 3Q-18 to \$73.5 million in 3Q-19, with a 9% increase year-on-year from \$192.4 million to \$209.9 million. The increase was mainly due to higher revenue from Investment and DMS business segments. Overall, the Group's gross profit margin increased by 1% from 10% in 3Q-18 to 11% in 3Q-19 and 2% from 10% to 12% year-on-year.

Revenue from Investment segment increased by 313% quarter-on-quarter from \$0.5 million in 3Q-18 to \$2.0 million in 3Q-19 and 350% year-on-year from \$1.2 million to \$5.5 million, mainly from dividend income received from investment in marketable securities of \$1.1 million in 3Q-19 and \$3.7 million in YTD-19 respectively, and coupon interest income from investment in bonds of \$0.8 million in 3Q-19 and \$1.5 million in YTD-19 respectively. Higher dividend income received from investment in marketable securities in 3Q-19, was mainly due to the cumulative effect from the investments made since 2Q-18 from the utilization of the rights cum warrants proceeds and leverage.

Revenue from DMS business increased by 9% and 10% respectively quarter-on-quarter and year-on-year from \$59.4 million in 3Q-18 to \$64.9 million in 3Q-19 and from \$167.5 million in YTD-18 to \$184.5 million in YTD-19, mainly due to higher sales volume generated from its retail operations. Gross margin for DMS business remained at 7% quarter-on-quarter and increased by 1% from 7% in YTD-18 to 8% in YTD-19.

Revenue from DPAS business increased by 10% quarter-on-quarter from \$1.3 million in 3Q-18 to \$1.4 million in 3Q-19 but reported a decrease in sale by 3% year-on-year from \$4.7 million in YTD-18 to \$4.5 million YTD-19. DPAS business registered lower revenue in YTD-19, mainly due to once-off General Election jobs recorded in first half of 2018. Gross margin for DPAS business remained at 28% quarter-on-quarter but decreased by 4% year-on-year from 31% in YTD-18 to 27% in YTD-19, mainly due to more jobs with lower-margin being taken up to gain market share after the General Election took place in Malaysia last year.

Revenue from AMS business decreased by 16% quarter-on-quarter and 19% year-on-year, from \$6.2 million in 3Q-18 to \$5.2 million in 3Q-19 and from \$19.0 million in YTD-18 to \$15.3 million in YTD-19, due to lower repair volumes. Gross margin increased by 2% quarter-on-quarter and year-on-year from 24% in 3Q-18 to 26% in 3Q-19 and 25% in YTD-18 to 27% in YTD-19, mainly from a change in product mix and higher support from principals compared to previous period.

Administrative expenses increased by \$0.3 million quarter-on-quarter from \$4.5 million in 3Q-18 to \$4.8 million in 3Q-19 and \$1.4 million year-on-year from \$13.0 million in YTD-18 to \$14.4 million in YTD-19, mainly due to an increase in staff cost.

Other operating expenses decreased by \$0.2 million from \$1.5 million in 3Q-18 to \$1.3 million in 3Q-19, mainly due to foreign exchange gains but was partially offset by the higher depreciation of right-of-use assets.

Finance expenses increased by \$0.3 million quarter-on-quarter, mainly due to the recognition of interest expense on lease liabilities of \$0.1 million and increase in interest expense on bank loans by \$0.2 million.

The Group's 3Q-19 net profits increased by \$1.5 million (330%) from \$0.4 million in 3Q-18 to \$1.9 million in 3Q-19 and \$3.4 million (193%) year-on-year from \$1.8 million in YTD-18 to \$5.2 million in YTD-19, mainly due to higher sales from DMS operations and investment income generated, but was partially offset by the increase in administrative expenses and finance costs.

Cash Flows

The Group registered cash and cash equivalents of \$7.9 million as at 30 September 2019, representing an outflow of \$0.6 million since 31 December 2018.

Net cash from operating activities of \$0.6 million in 3Q-19 arose mainly from operating cash flows before movements in working capital of \$1.7 million and changes in working capital of \$1.1 million.

Net cash outflow from investing activities of \$9.3 million in 3Q-19 was mainly due to investment in debt securities and equity securities of \$10.3 million and \$3.1 million respectively, partially offset by the receipt of dividend income from equity securities of \$1.1 million, interest received from debt securities of \$0.7 million and proceeds from disposal of debt securities of \$2.7 million.

Net cash from financing activities of \$6.7 million in 3Q-19 was attributable to the net bank borrowings received of \$10.0 million. This was offset by the repayment of lease liabilities of \$1.1 million and dividends paid to shareholders of \$2.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The Group maintained its earnings momentum in 3Q-19, with an increase in net profits by 330% as compared with 3Q-18.

Investment division contributed significantly to the profitability of the Group. A steady stream of coupon interest income from the invested debt securities is expected to cushion the fluctuating dividend income from the marketable securities, in the coming quarters. However, with the uncertainties surrounding the trade tensions between US and China, demonstrations in Hong Kong, Brexit and other macroeconomic factors, financial markets remained largely volatile in 3Q-19, which affected the fair value of the marketable securities resulting in movements in the investment valuation reserves. The Group believes that short term volatility in the fair value of securities is not of significant concern, as the securities are not for trading but held for the long term. Barring any further deterioration in the trade war and other major economic headwinds, the investment division expects to continue to make substantial contributions to the Group's performance.

DMS operations are overall stable despite margin and competitive pressures in the midst of a challenging retail environment. Operational and cost efficiencies remain key focus areas in managing the DMS businesses. While the DMS division expects a muted performance in the coming quarters in view of the challenging and competitive operating environment, the division believes that it will remain resilient and relevant in view of its strong partnership with principals and customers.

Malaysia's market outlook has been affected by global uncertainties, escalating trade disputes and shifts in investor sentiments. DPAS division's performance is expected to be affected as the division is dependent on the advertising expenditure of its clients which is usually dictated by the state of the economy and consumer sentiments. DPAS division will continue to work on increasing its market share and gaining new customers through its enhanced pricing strategy.

The Group is also actively exploring potential investment opportunities to build new revenue streams and to improve shareholders' returns.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the period.

13. Interested Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
	\$'000	\$'000
Pacific Organisation Pte Ltd - Rental expenses	302	-
Total	302	-

Mr Ong Ghim Choon (Director and Chief Executive Officer of the Company) and his associate own a majority of the shares of Pacific Organisation Pte Ltd.

14. Use of proceeds

As at 30 September 2019, the proceeds from the Rights cum Warrants Issue have been utilized in accordance with its stated use and the breakdown is as follows:

Net proceeds from the Rights cum Warrants Issue ¹	\$'000 67,393
Less:	
Investments in quoted securities	(45,838)
Repayment of loan to finance the investment in quoted securities	(11,640)
Utilisation towards working capital – purchases of inventories	(9,915)
Balance of net proceeds	<hr/> <hr/> -

¹Aggregate proceeds from Rights and conversion of Warrants as at 30 September 2019.

15. Confirmation of Undertakings under Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Mainboard Rules.

BY ORDER OF THE BOARD

Ong Ghim Choon
Chief Executive Officer
12 November 2019

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

We, Mark Leong Kei Wei and Ong Ghim Choon, being two directors of mDR Limited (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the third quarter 2019 financial results to be false or misleading in any material respect.

On behalf of the Board of Directors

Mark Leong Kei Wei
Chairman of Audit Committee

Ong Ghim Choon
Chief Executive Officer

Singapore, 12 November 2019