



mDR Limited

Second Half Financial Statements for the Period Ended 31 December 2020

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	2H-20	2H-19	Inc/(Dec) %	YTD-20	YTD-19	Inc/(Dec) %
Continuing operations							
Revenue	1	106,449	149,352	-29%	192,797	285,691	-33%
Cost of sales	1	(93,557)	(133,366)	-30%	(168,493)	(253,136)	-33%
Gross profit	1	12,892	15,986	-19%	24,304	32,555	-25%
Other income	2	1,872	495	278%	3,718	984	278%
Administrative expenses	3	(7,477)	(9,345)	-20%	(16,264)	(18,884)	-14%
Other operating expenses	4	(3,808)	(3,518)	8%	(7,130)	(6,868)	4%
Finance costs	5	(423)	(913)	-54%	(1,092)	(1,535)	-29%
Total expenses		(11,708)	(13,776)	-15%	(24,486)	(27,287)	-10%
Operating profit before impairment, share of profit of associate and income tax		3,056	2,705	13%	3,536	6,252	-43%
Allowance for impairment of non-current assets	6	(373)	(571)	-35%	(364)	(571)	-36%
Loss allowance on investment in debt securities	7	(17,166)	(1,851)	827%	(17,166)	(1,851)	827%
Loss allowance for trade receivables	7	(536)	-	N.M.	(536)	-	N.M.
Impairment loss on goodwill of a subsidiary		-	(2,798)	N.M.	-	(2,798)	N.M.
Operating (loss) profit before share of profit of associate and income tax		(15,019)	(2,515)	497%	(14,530)	1,032	N.M.
Share of profit of associate		3	3	0%	5	6	-17%
(Loss) Profit before income tax		(15,016)	(2,512)	498%	(14,525)	1,038	N.M.
Income tax credit	8	128	289	-56%	145	3	4733%
(Loss) Profit for the period from continuing operations		(14,888)	(2,223)	570%	(14,380)	1,041	N.M.
Discontinued operations							
Profit (Loss) for the period from discontinued operations	9	132	(5)	N.M.	116	(5)	N.M.
(Loss) Profit for the period		(14,756)	(2,228)	562%	(14,264)	1,036	N.M.
Other comprehensive income (loss)							
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		17,317	(2,542)	N.M.	(9,667)	(2,977)	225%
Revaluation on land and building		832	-	N.M.	832	-	N.M.
Items that may be reclassified subsequently to profit or loss							
Currency translation differences arising on consolidation		126	37	241%	32	4	700%
Other comprehensive income (loss) for the period, net of tax		18,275	(2,505)	N.M.	(8,803)	(2,973)	196%
Total comprehensive profit (loss) for the period		3,519	(4,733)	N.M.	(23,067)	(1,937)	1091%

In S\$'000	Notes	2H-20	2H-19	Inc/(Dec) %	YTD-20	YTD-19	Inc/(Dec) %
(Loss) Profit attributable to:							
Owners of the Company		(14,828)	(2,208)	572%	(14,308)	1,026	N.M.
Non-controlling interests		72	(20)	N.M.	44	10	340%
Total comprehensive (loss) income		<u>(14,756)</u>	<u>(2,228)</u>	562%	<u>(14,264)</u>	<u>1,036</u>	N.M.
Total comprehensive income (loss) attributable to:							
Owners of the Company		3,451	(4,717)	N.M.	(23,116)	(1,951)	1085%
Non-controlling interests		68	(16)	N.M.	49	14	250%
		<u>3,519</u>	<u>(4,733)</u>	N.M.	<u>(23,067)</u>	<u>(1,937)</u>	1091%

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	2H-20	2H-19	YTD-20	YTD-19
Revenue				
AMS	8,890	9,730	17,333	19,864
DMS	91,670	133,434	164,252	253,048
DPAS	1,972	2,683	3,297	5,793
Investment	3,917	3,505	7,915	6,986
	<u>106,449</u>	<u>149,352</u>	<u>192,797</u>	<u>285,691</u>
Cost of goods sold				
AMS	(6,454)	(7,204)	(12,643)	(14,598)
DMS	(85,625)	(124,327)	(153,199)	(234,429)
DPAS	(1,478)	(1,835)	(2,651)	(4,109)
Investment	-	-	-	-
	<u>(93,557)</u>	<u>(133,366)</u>	<u>(168,493)</u>	<u>(253,136)</u>
Gross profit				
AMS	2,436	2,526	4,690	5,266
DMS	6,045	9,107	11,053	18,619
DPAS	494	848	646	1,684
Investment	3,917	3,505	7,915	6,986
	<u>12,892</u>	<u>15,986</u>	<u>24,304</u>	<u>32,555</u>
GP%				
AMS	27%	26%	27%	27%
DMS	7%	7%	7%	7%
DPAS	25%	32%	20%	29%
Investment	100%	100%	100%	100%
	<u>12%</u>	<u>11%</u>	<u>13%</u>	<u>11%</u>

Note 2 Other income consists of the following:

In S\$'000	2H-20	2H-19	YTD-20	YTD-19
Interest income on fixed deposits	6	12	9	30
Rental income	268	300	575	608
Liabilities written back	-	6	-	6
<u>Government grants:</u>				
Wage credit	-	-	95	61
Work life grant	25	-	25	-
Job support scheme	976	-	1,921	-
Property tax rebate/cash grant	242	-	492	-
Foreign worker levy rebate	23	-	150	-
Insurance compensation	108	-	181	-
Gain on disposal of plant and equipment	75	9	78	35
Gain on disposal of right-of-use assets	-	9	-	9
Gain on disposal of investment in debt securities	-	84	-	84
Others	149	75	192	151
	<u>1,872</u>	<u>495</u>	<u>3,718</u>	<u>984</u>

Insurance compensation pertains to the claim in relation to damaged equipment and raw materials due to the flooding incident in April 2020 that affected DPAS division.

Note 3 Administrative expenses

The administrative expenses mainly comprise staff cost.

In S\$'000	2H-20	2H-19	YTD-20	YTD-19
Staff Cost				
AMS	1,501	1,753	3,004	3,667
DMS	2,721	3,465	5,547	7,033
DPAS	221	336	503	676
Management and HQ support staff costs (including Directors' fees)	1,879	2,196	4,908	4,353
	<u>6,322</u>	<u>7,750</u>	<u>13,962</u>	<u>15,729</u>

The decrease in staff costs in AMS, DMS and DPAS division was mainly due to the decrease in headcount and reduced overtime incurred. With the cessation of M1 distributorship since 19 September 2020, lower headcount is required to support the operations. However, it was partially offset by the increase in staff costs for management and HQ support.

Note 4 Other operating expenses

Other operating expenses consist of the following:

In S\$'000	2H-20	2H-19	YTD-20	YTD-19
Rental expenses	394	510	395	1,010
Depreciation of property, plant and equipment	445	557	985	1,051
Depreciation of right-of-use assets	1,442	2,010	3,254	4,063
Plant and equipment written off	74	11	88	13
Right-of-use assets written off	6	-	6	-
(Gain) Loss on disposal of investment in debt securities	(11)	-	252	-
Loss on disposal of right-of-use assets	36	-	36	-
Loss allowance (Reversal of loss allowance) for trade receivables	298	1	300	(25)
(Reversal of loss allowance) Loss allowance for other receivables	(131)	66	(64)	66
Bad debts written off - trade	-	5	-	5
Allowance for inventories	969	349	1,488	537
Inventories written off	-	-	80	-
Foreign exchange loss	286	9	310	148
	<u>3,808</u>	<u>3,518</u>	<u>7,130</u>	<u>6,868</u>

Reduced rental expenses were mainly due to rental subsidies received from retail malls due to the COVID-19 pandemic.

Lower depreciation of right-of-use assets was mainly due to early surrender of leases for 4 outlets of DMS business with the cessation of M1 distributorship from 19 September 2020, upon rationalization of its retail network.

Higher loss allowance for trade receivables was mainly due to an increase in credit risk of trade receivables for DPAS division.

Higher allowance for inventories was due to a higher stock provision made against slow moving inventory balances held.

Inventories written off pertained to damaged raw materials due to the flooding incident that affected DPAS division.

Note 5 Finance costs

In S\$'000	2H-20	2H-19	YTD-20	YTD-19
Interest expense on bank loans	278	729	794	1,135
Interest expense on lease liabilities	141	169	285	364
Interest expense on lease liabilities from financial institutions	4	15	13	36
	<u>423</u>	<u>913</u>	<u>1,092</u>	<u>1,535</u>

Note 6 Allowance for impairment of non-current assets

The allowance for impairment of non-current assets pertains to the impairment of right-of-use asset (lease of retail outlets) of \$227,000 and renovation of \$137,000, from non-performing outlets of DMS business.

The impairment of right-of-use asset of \$485,000, for the lease of non-performing outlets of DMS business, was partially offset by the reversal of allowance for impairment of right-of-use asset of \$258,000 for a non-performing outlet of DMS business, due to the surrender of its lease with a replacement tenant taking over the said outlet.

Note 7 Loss allowance on investment in debt securities/loss allowance for trade receivables

The loss allowance on investment in debt securities of \$17.2 million is in relation to an offshore debt security of Tsinghua Unigroup, one of the largest state-linked advanced technologies and innovation services conglomerate in China, with the aggregate investment nominal value of US\$20m, which was due for maturity on 31 January 2021. The debt security was issued by Tsinghua Unic Limited and unconditionally and irrevocably guaranteed by Tsinghua Unigroup Co., Ltd. During the year, the bond issuer defaulted on bonds due before 31 December 2020 triggering cross default provisions on other tranches of bonds issued by the issuer, including the bonds due 31 January 2021 held by the Group. Accordingly, investment in the bonds is deemed to be credit impaired and loss allowance is estimated based on the difference between expected recovery and carrying value of the bonds.

The loss allowance for trade receivables of \$536,000 relates to the bond coupon payments due on 31 January 2021 which Tsinghua Unigroup failed to pay due to liquidity issues.

Note 8 Income tax credit

The tax expense provision is calculated for profitable subsidiaries. The income tax credit mainly pertained to deferred tax adjustments from DPAS division.

Note 9 Income statement for discontinued operations

In S\$'000	2H-20	2H-19	YTD-20	YTD-19
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross (loss) profit	-	-	-	-
Other operating income	6	-	6	-
Administrative expenses	127	-	127	-
Other operating expenses	5	(5)	(11)	(5)
Profit (Loss) before income tax	138	(5)	122	(5)
Income tax expense	(6)	-	(6)	-
Profit (Loss) for the period from discontinued operations	132	(5)	116	(5)
Profit (Loss) attributable to:				
Owners of the Company	31	-	32	-
Non-controlling interests	101	(5)	84	(5)
	132	(5)	116	(5)

Discontinued operations relate to operations in Myanmar inclusive of MDR Myanmar Co., Ltd, Golden Myanmar Sea Co., Ltd, Pixio Myanmar Co., Ltd and MDR Golden Myanmar Sea Co., Ltd, which ceased their business operations in 2017.

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	
		31-Dec-20	31-Dec-19	31-Dec -20	31-Dec-19
ASSETS					
Current assets					
Cash and bank balances		12,324	7,129	2,456	1,072
Trade receivables	1	14,204	23,237	1,699	2,416
Other receivables and prepayments	2	12,263	10,811	23,635	32,301
Inventories	3	25,006	35,399	897	1,402
Investment in debt securities	6	12,888	20,249	12,888	20,249
Income tax recoverable		181	103	-	-
Total current assets		76,866	96,928	41,575	57,440
Non-current assets					
Other receivables and prepayments	2	463	860	127	47
Investment in subsidiaries	10	-	-	2,749	19,970
Investment in an associate		25	20	-	-
Property, plant and equipment		1,895	3,320	805	1,089
Right-of-use assets	4	12,267	13,235	1,631	527
Investment in equity securities	5	88,196	90,610	88,196	90,610
Investment in debt securities	6	-	29,579	-	29,579
Deferred tax assets		142	127	142	125
Total non-current assets		102,988	137,751	93,650	141,947
Total assets		179,854	234,679	135,225	199,387
Current liabilities					
Bank overdrafts and loans	7	26,849	58,155	22,175	51,004
Trade payables	8	11,703	13,613	1,317	1,789
Other payables	9	5,312	4,302	1,396	1,098
Lease liabilities		2,358	3,379	670	456
Lease liabilities from financial institutions		198	326	27	45
Income tax payable		9	9	-	-
Total current liabilities		46,429	79,784	25,585	54,392
Non-current liabilities					
Bank overdrafts and loans	7	4,703	-	4,703	-
Lease liabilities		2,406	3,620	1,070	122
Lease liabilities from financial institutions		24	131	13	39
Deferred tax liabilities		414	306	-	-
Total non-current liabilities		7,547	4,057	5,786	161

In S\$'000	Notes	Group		Company	
		31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Capital, reserves and non-controlling interests					
Share capital		154,455	154,455	154,455	154,455
Treasury shares		(1,908)	(15)	(1,908)	(15)
Capital reserve		(325)	(325)	22	22
Investment revaluation reserve		(17,536)	(8,479)	(17,536)	(8,479)
Property revaluation reserve		1,583	751	-	-
Foreign currency translation reserve		66	39	-	-
(Accumulated losses)/Retained earning		(9,000)	5,918	(31,179)	(1,149)
Equity attributable to owners of the Company		127,335	152,344	103,854	144,834
Non-controlling interests		(1,457)	(1,506)	-	-
Total equity		125,878	150,838	103,854	144,834
Total liabilities and equity		179,854	234,679	135,225	199,387

Notes

1 Trade receivables

The Group's trade receivables turnover as at 31 December 2020 is 35 days (31 December 2019: 30 days).

2 Other receivables and prepayments

Other receivables and prepayments (current)

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

S\$'000	31-Dec-20	31-Dec-19
Rental deposits (current)	547	334
Other receivables	7,504	7,652
Loan receivables from a third party	3,861	2,432
Prepayments	255	308

Other receivables of \$7.5 million as at 31 December 2020 comprised mainly of \$6.1 million to be received from principals and operators in relation to cost recovery of handsets issued on behalf, sell through, sell in, advertising and promotion support.

The increase in loan receivables from third parties is mainly due to a new loan of \$1.5 million extended to another third party.

Other receivables and prepayments (non-current)

This pertains to rental and utility deposits for leases that are more than 1 year.

3 Inventories

The Group's inventory turnover as at 31 December 2020 is 65 days (31 December 2019: 46 days).

Higher inventory turnover days are mainly due to higher volume of handsets purchased in December 2020 for an incentive programme.

4 Right-of-use assets

The right-of-use assets as at 31 December 2020 were mainly related to leasehold land and building of \$8.2 million and leases of its office premises, retail outlets and service centres of \$4.1 million. It included an allowance of impairment for the lease of non-performing outlets of \$534,000.

5 Investment in equity securities

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

In 2H-20, the Group has invested \$3.2 million and disposed \$7.3 million of equity securities. In YTD-20, total investment in equity securities amounted to \$19.6 million while the Group disposed \$13.0 million of equity securities.

As at 31 December 2020, the Group invested in investment securities of companies which are broadly categorised within the following business sectors:

Business Sectors	%
Infrastructure	36.6%
Real estate	32.0%
Agriculture	13.1%
Transportation	8.7%
Leisure and hospitality	5.5%
Commodities	4.1%
TOTAL	100.0%

Below is the key information of the investment securities as at 31 December 2020:

By Market Capitalization	%
\$1 billion and above	95.5%
\$500 million to \$1 billion	0.8%
\$200 million to \$500 million	3.7%
\$200 million and below	0.0%
TOTAL	100.0%

By Exchange (based on market value)	%
SGX	96.7%
HKEX	3.3%
TOTAL	100.0%

By Currencies (based on market value)	%
SGD	63.5%
USD	33.2%
HKD	3.3%
TOTAL	100.0%

Weighted portfolio Information (based on simple weighted average calculation)

Market Capitalisation	\$3.40 billion
Dividend Yield	3.84%
5-year Beta	1.088
P/B	0.51x
EV/EBITDA	13.15x
Debt/EBITDA	7.82x

(Data derived from SGX "Stock Screener" or Yahoo Finance as at 31 December 2020)

6 Investment in debt securities

In 2H-20, the Group has invested \$6.7 million and disposed \$3.0 million respectively in debt securities. In YTD-20, the Group has invested \$6.7 million, redeemed and disposed \$12.2 million and \$15.5 million respectively in debt securities.

The total investment in debt securities of \$12.9 million recorded as at 31 December 2020 is inclusive of a loss allowance of \$19.0 million for Tsinghua bond. During the year, the bond issuer defaulted on bonds due before 31 December 2020 triggering cross default provisions on other tranches of bonds issued by the issuer, including the bonds due 31 January 2021 held by the Group. Accordingly, investment in the bonds is deemed to be credit impaired and loss allowance is estimated based on the difference between expected recovery and carrying value of the bonds.

As at 31 December 2020, the Group invested in bonds and the issuers of the debt securities are of companies broadly categorised within the following business sectors (excluding Tsinghua bond):

Business Sectors (based on purchase consideration)	%
Real estate	63.6%
Agriculture	36.4%
TOTAL	100.0%

Below is the key information of the bonds as at 31 December 2020:

By Exchange (based on purchase consideration)	%
SGX	66.4%
HKEX	33.6%
TOTAL	100.0%

By Currencies (based on purchase consideration)	%
USD	33.6%
SGD	66.4%
TOTAL	100.0%

By Credit Rating (based on purchase consideration)	%
BBB	33.6%
BB	29.9%
BB-	36.5%
TOTAL	100.0%

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

Weighted portfolio Information (based on simple weighted average calculation)	
Yield to Maturity	29.1%
Duration	0.39 years

The Group has classified debt securities which will mature within 12 months from 31 December 2020 under current assets.

7 Bank overdrafts and loans

Bank overdrafts and loans comprised mainly of bank loans of \$3.7 million secured for the financing of property in Malaysia for DPAS operations, term loans and bank overdrafts of \$12.4 million and \$15.5 million respectively for the investment in equity and debt securities and working capital.

8 Trade payables

The Group's trade payables turnover as at 31 December 2020 is 27 days (31 December 2019: 17 days).

Higher trade payables turnover days mainly pertained to higher volume of purchases on credit terms made towards end of December 2020.

9 Other payables

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

S\$'000	31-Dec-20	31-Dec-19
Advertising, promotion and sell through funds from principals	1,357	786
Accrued staff costs	731	644
Other accrued operating expenses	472	462

Company level

10 Investment in subsidiaries

The decrease in investment in subsidiaries is mainly due to impairment of investment in the Malaysian subsidiary amounting to \$2.8 million and DMS Group amounting to \$14.4 million.

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

Amount repayable in one year or less, or on demand

As at 31-Dec-20		As at 31-Dec-19	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
25,750	1,297	55,171	3,310

Amount repayable after one year

As at 31-Dec-20		As at 31-Dec-19	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
24	4,703	131	-

Details of collateral

The secured borrowings comprise mainly of outstanding finance lease of \$0.2 million on certain motor vehicles and machinery, bank loan of \$3.7 million secured against an open legal mortgage over a commercial property in Malaysia and term loan and bank overdrafts of \$21.9 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	2H-20	2H-19	YTD-20	YTD-19
Operating activities				
(Loss) Profit before income tax from continuing operations	(15,016)	(2,512)	(14,525)	1,038
Profit (Loss) before income tax from discontinued operations	138	(5)	122	(5)
	(14,878)	(2,517)	(14,403)	1,033
Adjustments for:				
Depreciation of property, plant and equipment (Note A)	640	787	1,410	1,559
Depreciation of right-of-use assets (Note A)	1,527	2,095	3,424	4,234
Interest expenses	423	913	1,092	1,535
Interest income from fixed deposits	(6)	(12)	(9)	(30)
Interest income from loan to third parties	(213)	(188)	(414)	(345)
Interest income from investment in debt securities	(2,325)	(1,609)	(3,402)	(2,315)
(Loss) Gain on disposal of plant and equipment	(75)	3	(78)	(23)
Gain (Loss) on disposal of right-of-use assets	36	(9)	36	(9)
Gain (Loss) on disposal of debt securities	(11)	(84)	252	(84)
Right-of-use assets written off	6	-	6	-
Plant and equipment written off	74	11	88	13
Allowance for impairment on plant and equipment	78	91	137	91
Allowance for impairment loss of right-of-use assets	295	480	227	480
Loss allowance on investment in debt securities	17,166	1,851	17,166	1,851
Impairment loss on goodwill of a subsidiary	-	2,798	-	2,798
Liabilities written back	-	(6)	-	(6)
Allowance for inventories	969	349	1,488	537
Inventories written off	-	-	80	-
Loss (Reversal of) allowance for trade receivables	834	1	836	(25)
(Reversal of) Loss allowance for non-trade receivables	(131)	66	(64)	66
Bad debts written off - trade	-	5	-	5
Share of (profit) loss of an associate	(3)	(3)	(5)	(6)
Net foreign exchange loss	1,152	235	538	303
Operating cash flows before movements in working capital	5,558	5,257	8,405	11,662
Trade receivables	(5,790)	(3,984)	8,197	551
Other receivables and prepayments	(762)	(2,178)	(129)	(3,087)
Inventories	(2,530)	569	8,825	(6,015)
Trade payables	2,791	(3,921)	(1,900)	2,836
Other payables	(443)	(35)	938	(1,178)
Cash (used in) generated from operations	(1,176)	(4,292)	24,336	4,769
Income tax refund (paid)	(27)	7	(91)	189
Interest received	6	12	9	30
Interest received from debt securities	589	1,050	2,032	1,160
Interest received from loan to third parties	183	188	384	345
Net cash (used in) from operating activities	(425)	(3,035)	26,670	6,493
Investing activities				
Proceeds from disposal of plant and equipment	205	29	224	45
Purchase of plant and equipment (Note B)	(65)	(813)	(369)	(1,328)
Proceeds from disposal of investment securities	10,048	-	12,380	19,377
Purchase of investment securities	(3,267)	(33,343)	(19,633)	(33,910)
Proceeds from disposal of debt securities	3,097	8,346	27,961	8,346
Purchase of debt securities	(6,674)	(10,849)	(6,674)	(60,020)
Loan to third parties	(500)	-	(1,500)	(2,500)
Repayment of loan from a third party	-	69	101	69
Net cash from (used in) investing activities	2,844	(36,561)	12,490	(69,921)

In S\$'000	2H-20	2H-19	YTD-20	YTD-19
Financing activities				
Proceeds from issuance of ordinary shares, net	-	28,128	-	28,363
Purchase of treasury shares	(238)	(12)	(1,893)	(15)
Interest paid	(445)	(733)	(1,084)	(1,345)
Repayment of lease liabilities	(1,727)	(2,057)	(3,627)	(4,108)
Repayment of lease liabilities from financial institutions	(126)	(160)	(235)	(341)
Changes in cash pledged	-	-	-	49
Dividends paid to non-controlling interest	(9)	-	(9)	-
Dividends paid to shareholders	-	(2,004)	-	(4,008)
Repayment of bank borrowings	(17,945)	(69,732)	(70,217)	(119,949)
Proceeds from bank borrowings	13,989	83,358	43,099	163,463
Net cash (used in) from financing activities	(6,501)	36,788	(33,966)	62,109
Net (decrease) increase in cash and cash equivalents	(4,082)	(2,808)	5,194	(1,319)
Cash and cash equivalents at beginning of period	16,404	9,937	7,129	8,447
Effects of exchange rate changes on the balance of cash held in foreign currencies	2	-	1	1
Cash and cash equivalents at end of period (Note B)	12,324	7,129	12,324	7,129

Note

A. Depreciation expense:

In 2H-20, included in depreciation expense of \$2,167,000 (2H-19: \$2,882,000) in the statement of cash flows is \$1,887,000 (2H-19: \$2,567,000) which is classified in other operating expenses with the remaining classified in cost of sales.

In YTD-20, included in depreciation expense of \$4,834,000 (YTD-19: \$5,793,000) in the statement of cash flows is \$4,239,000 (YTD-19: \$5,114,000) which is classified in other operating expenses with the remaining classified in cost of sales.

B. Purchase of property, plant and equipment:

In 2H-20, the Group acquired plant and equipment with an aggregate cost of \$65,000 (2H-19: \$ 860,000) of which \$Nil (2H-19: \$47,000) was acquired under finance lease arrangements.

In YTD-20, the Group acquired plant and equipment with an aggregate cost of \$369,000 (YTD-19: \$ 1,381,000) of which \$Nil (YTD-19: \$53,000) was acquired under finance lease arrangements.

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>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 1 January 2020	154,455	(15)	(325)	(8,479)	751	39	5,918	152,344	(1,506)	150,838
Total comprehensive income (loss) for the period										
Profit (loss) for the period	-	-	-	-	-	-	520	520	(28)	492
Loss on disposal of investment securities transferred between reserves	-	-	-	3,377	-	-	(3,377)	-	-	-
Other comprehensive (loss) income for the period	-	-	-	(26,984)	-	(103)	-	(27,087)	9	(27,078)
Total	-	-	-	(23,607)	-	(103)	(2,857)	(26,567)	(19)	(26,586)
Transactions with owners, recognised directly in equity										
Purchase of treasury shares	-	(1,655)	-	-	-	-	-	(1,655)	-	(1,655)
Total	-	(1,655)	-	-	-	-	-	(1,655)	-	(1,655)
Balance as at 30 June 2020	<u>154,455</u>	<u>(1,670)</u>	<u>(325)</u>	<u>(32,086)</u>	<u>751</u>	<u>(64)</u>	<u>3,061</u>	<u>124,122</u>	<u>(1,525)</u>	<u>122,597</u>
Total comprehensive income (loss) for the period										
(Loss) Profit for the period	-	-	-	-	-	-	(14,828)	(14,828)	72	(14,756)
Gain on disposal of investment securities transferred between reserves	-	-	-	(2,767)	-	-	2,767	-	-	-
Other comprehensive income (loss) for the period	-	-	-	17,317	832	130	-	18,279	(4)	18,275
Total	-	-	-	14,550	832	130	(12,061)	3,451	68	3,519
Transactions with owners, recognised directly in equity										
Purchase of treasury shares	-	(238)	-	-	-	-	-	(238)	-	(238)
Total	-	(238)	-	-	-	-	-	(238)	-	(238)
Balance as at 31 December 2020	<u>154,455</u>	<u>(1,908)</u>	<u>(325)</u>	<u>(17,536)</u>	<u>1,583</u>	<u>66</u>	<u>(9,000)</u>	<u>127,335</u>	<u>(1,457)</u>	<u>125,878</u>

<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>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
Adjustment on adoption of SFRS (I) 16*	-	-	-	-	-	-	(345)	(345)	(7)	(352)
Balance as at 1 January 2019	<u>220,312</u>	<u>-</u>	<u>(325)</u>	<u>(5,868)</u>	<u>751</u>	<u>39</u>	<u>(84,954)</u>	<u>129,955</u>	<u>(1,511)</u>	<u>128,444</u>
Total comprehensive income (loss) for the period										
Profit for the period	-	-	-	-	-	-	3,234	3,234	30	3,264
Loss on disposal of investment securities transferred between reserves	-	-	-	366	-	-	(366)	-	-	-
Other comprehensive loss for the period	-	-	-	(435)	-	(33)	-	(468)	-	(468)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69)</u>	<u>-</u>	<u>(33)</u>	<u>2,868</u>	<u>2,766</u>	<u>30</u>	<u>2,796</u>
Transactions with owners, recognised directly in equity										
Issue of shares pursuant to rights cum warrants issue	235	-	-	-	-	-	-	235	-	235
Purchase of treasury shares	-	(3)	-	-	-	-	-	(3)	-	(3)
Capital reduction*	(94,220)	-	-	-	-	-	94,220	-	-	-
Dividends	-	-	-	-	-	-	(2,004)	(2,004)	-	(2,004)
Total	<u>(93,985)</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,216</u>	<u>(1,772)</u>	<u>-</u>	<u>(1,772)</u>
Balance as at 30 June 2019	<u>126,327</u>	<u>(3)</u>	<u>(325)</u>	<u>(5,937)</u>	<u>751</u>	<u>6</u>	<u>10,130</u>	<u>130,949</u>	<u>(1,481)</u>	<u>129,468</u>
Total comprehensive income (loss) for the period										
Loss for the period	-	-	-	-	-	-	(2,208)	(2,208)	(20)	(2,228)
Loss on disposal of investment securities transferred between reserves	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss) for the period	-	-	-	(2,542)	-	33	-	(2,509)	4	(2,505)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,542)</u>	<u>-</u>	<u>33</u>	<u>(2,208)</u>	<u>(4,717)</u>	<u>(16)</u>	<u>(4,733)</u>
Transactions with owners, recognised directly in equity										
Issue of shares pursuant to rights cum warrants issue	28,128	-	-	-	-	-	-	28,128	-	28,128
Purchase of treasury shares	-	(12)	-	-	-	-	-	(12)	-	(12)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(9)	(9)
Dividends	-	-	-	-	-	-	(2,004)	(2,004)	-	(2,004)
Total	<u>28,128</u>	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,004)</u>	<u>26,112</u>	<u>(9)</u>	<u>26,103</u>
Balance as at 31 December 2019	<u>154,455</u>	<u>(15)</u>	<u>(325)</u>	<u>(8,479)</u>	<u>751</u>	<u>39</u>	<u>5,918</u>	<u>152,344</u>	<u>(1,506)</u>	<u>150,838</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.

* 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 \$94,219,774 of the Company up to 31 December 2017.

<u>In S\$'000</u> Company	<u>Share capital</u>	<u>Treasury shares</u>	<u>Capital reserve</u>	<u>Investment revaluation reserve</u>	<u>(Accumulated losses) Retained earnings</u>	<u>Total</u>
Balance as at 1 January 2020	154,455	(15)	22	(8,479)	(1,149)	144,834
Total comprehensive income for the period						
Profit for the period	-	-	-	-	381	381
Loss on disposal of investment securities	-	-	-	3,377	(3,377)	-
Other comprehensive loss for the period	-	-	-	(26,984)	-	(26,984)
Total	-	-	-	(23,607)	(2,996)	(26,603)
Transactions with owners, recognised directly in equity						
Purchase of treasury shares	-	(1,655)	-	-	-	(1,655)
Total	-	(1,655)	-	-	-	(1,655)
Balance as at 30 June 2020	<u>154,455</u>	<u>(1,670)</u>	<u>22</u>	<u>(32,086)</u>	<u>(4,145)</u>	<u>116,576</u>
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(29,801)	(29,801)
Gain on disposal of investment securities	-	-	-	(2,767)	2,767	-
Other comprehensive income for the period	-	-	-	17,317	-	17,317
Total	-	-	-	14,550	(27,034)	(12,484)
Transactions with owners, recognised directly in equity						
Purchase of treasury shares	-	(238)	-	-	-	(238)
Total	-	(238)	-	-	-	(238)
Balance as at 31 December 2020	<u>154,455</u>	<u>(1,908)</u>	<u>22</u>	<u>(17,536)</u>	<u>(31,179)</u>	<u>103,854</u>
Balance as at 31 December 2018	220,312	-	22	(5,868)	(92,977)	121,489
Adjustment on adoption of SFRS (I) 16*	-	-	-	-	(44)	(44)
Balance as at 1 January 2019	<u>220,312</u>	<u>-</u>	<u>22</u>	<u>(5,868)</u>	<u>(93,021)</u>	<u>121,445</u>
Total comprehensive income for the period						
Profit for the period	-	-	-	-	2,012	2,012
Loss on disposal of investment securities	-	-	-	366	(366)	-
Other comprehensive loss for the period	-	-	-	(435)	-	(435)
Total	-	-	-	(69)	1,646	1,577
Transactions with owners, recognised directly in equity						
Issue of shares pursuant to rights cum warrants issue	235	-	-	-	-	235
Purchase of treasury shares	-	(3)	-	-	-	(3)
Capital reduction*	(94,220)	-	-	-	94,220	-
Dividends	-	-	-	-	(2,004)	(2,004)
Total	<u>(93,985)</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>92,216</u>	<u>(1,772)</u>
Balance as at 30 June 2019	<u>126,327</u>	<u>(3)</u>	<u>22</u>	<u>(5,937)</u>	<u>841</u>	<u>121,250</u>
Total comprehensive income for the period						
Profit for the period	-	-	-	-	14	14
Other comprehensive loss for the period	-	-	-	(2,542)	-	(2,542)
Total	-	-	-	(2,542)	14	(2,528)
Transactions with owners, recognised directly in equity						
Issue of shares pursuant to rights cum warrants issue	28,128	-	-	-	-	28,128
Purchase of treasury shares	-	(12)	-	-	-	(12)
Dividends	-	-	-	-	(2,004)	(2,004)
Total	<u>28,128</u>	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>(2,004)</u>	<u>26,112</u>
Balance as at 31 December 2019	<u>154,455</u>	<u>(15)</u>	<u>22</u>	<u>(8,479)</u>	<u>(1,149)</u>	<u>144,834</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.

* 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 \$94,219,774 of the Company up to 31 December 2017.

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 Consolidation

The Company has completed the share consolidation and warrants adjustment of every 100 existing issued ordinary shares in the capital/unexercised warrants into 1 consolidated ordinary share/unexercised adjusted warrant on 28 July 2020.

Share Buy Back

Under the Share Buy Back Mandate (first approved by the Shareholders on 28 September 2018 and last renewed at the Annual General Meeting on 29 June 2020), the Company bought back 3,009,300 ordinary shares during 2H-20. The amount paid, including brokerage fees, totaled \$237,880 and was deducted against shareholders' equity.

Share Capital and Treasury Shares

In 2H-20, the share consolidation resulted in the reduction in the total number of ordinary shares in issue from 90,707,739,719 to 907,077,553. As at 31 December 2020, 19,689,283 ordinary shares were held by the Company as treasury shares. The treasury shares held represents 2.22% of the total number of issued shares (excluding treasury shares). The share capital was \$154,454,814 as at 31 December 2020.

In 2H-19, the Company issued an additional 25,570,803,522 new ordinary shares through conversion of 25,570,803,522 Tranche 2 warrants at \$0.0011. As a result, the total number of ordinary shares in issue was 90,707,739,719 of which 14,510,100 was held by the Company as treasury shares as at 31 December 2019. The treasury shares held represents 0.016% 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 \$154,454,814 as at 31 December 2019.

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 share in the capital of the Company.

The number of shares that may be issued on conversion of the Group's outstanding warrants as at 31 December 2020 (after the completion of share consolidation and warrant adjustment) is as follows:

31-Dec-20

Tranche 3 warrants, \$0.70 per warrant expiring on
17 June 2021

497,322,345

Tranche 1 warrants expired on 17 December 2018 and Tranche 2 warrants expired on 17 December 2019.

Before the completion of the share consolidation and warrant adjustment, the number of shares that may be issued on conversion of the Group's outstanding Tranche 3 warrants is 49,732,237,977 at \$0.0070.

Share Award Scheme

On 28 September 2018, the shareholders of the Company approved the share award scheme known as mDR Share Plan 2018. Under the mDR Share Plan 2018, the Company will deliver shares granted under an award by issuing new shares and/or transferring treasury shares free of charge, upon the participant satisfying such conditions as specified by the Committee administering the mDR Share Plan. As at 31 December 2020, 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	
	31-Dec -20	31-Dec-19
Total number of issued shares	907,077,553	90,707,739,719
Less: Treasury shares	<u>(19,689,283)</u>	<u>(14,510,100)</u>
Total number of issued shares excluding treasury shares	<u>887,388,270</u>	<u>90,693,229,619</u>

The reduction in the total number of ordinary shares issued was due to a share consolidation of every 100 existing ordinary shares in the capital into 1 consolidated ordinary share on 28 July 2020.

- 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

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings 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 modifications or emphasis of matter)**

Not applicable

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

This is not required for any audit issue that is a material uncertainty relating to the going concern.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2019 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

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 2019.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") for accounting periods beginning 1 January 2020, where applicable.

The adoption of new / revised FRS and INT FRS does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior period.

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>	2H-20 cents	2H-19 cents	YTD-20 cents	YTD-19 cents
		(Restated)		(Restated)
From continuing and discontinued operations:				
- Basic	(1.661)	(0.332)	(1.603)	0.154
- Fully diluted	(1.661)	(0.303)	(1.603)	0.141
From continuing operations:				
- Basic	(1.665)	(0.332)	(1.607)	0.154
- Fully diluted	(1.665)	(0.303)	(1.607)	0.141
From discontinued operations:				
- Basic	0.003	-	0.004	-
- Fully diluted	0.003	-	0.004	-

Basic earnings per ordinary share is computed based on the weighted average number of shares in issue during the period of 892,571,779 (2H-19: 664,449,554).

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 892,571,779 (2H-19: 729,138,940).

In 2H-20, the Tranche 3 warrants were antidilutive and hence disregarded in the calculation of diluted earnings per share.

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	
	31-Dec -20	31-Dec-19	31-Dec-20	31-Dec-19
	Cents	Cents	Cents	Cents
		(Restated)		(Restated)
Net Asset Value ("NAV") per share	14.35	16.80	11.70	15.97

The NAV per share as at 31 December 2020 is calculated based on 887,388,270 ordinary shares (excluding 19,689,283 ordinary shares held as treasury shares) (31 December 2019: 906,932,296 ordinary shares (excluding 145,101 ordinary shares held as treasury 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 2H-20 revenue decreased by 29% from \$149.4 million in 2H-19 to \$106.4 million in 2H-20, with a 33% decrease year-on-year from \$285.7 million to \$192.8 million. The decrease was mainly due to the decrease in revenue from DMS, AMS and DPAS business that resulted from the COVID-19 pandemic outbreak. Overall, the Group's gross margin increased by 1% from 11% in 2H-19 to 12% in 2H-20 and increased by 2% from 11% to 13% year-on-year.

Revenue from DMS business decreased by 31% from \$133.4 million in 2H-19 to \$91.7 million in 2H-20 and 35% year-on-year from \$253.0 million to \$164.3 million, mainly due to the cessation of M1 business since 19 September 2020 and the closure of 5 outlets in September/October 2020 upon rationalization of its retail network. The retail stores were temporarily closed for operations during the Circuit Breaker Period from 7 April 2020 until 18 June 2020 and resumed operations only on 19 June 2020. Gross margin for DMS business remained consistent at 7% compared to the previous corresponding period.

Revenue from AMS business decreased by 9% from \$9.7 million in 2H-19 to \$8.9 million in 2H-20 and 13% year-on-year, from \$19.9 million in YTD-19 to \$17.3 million in YTD-20, due to lower repair volumes. Gross margin increased by 1% from 26% in 2H-19 to 27% in 2H-20 and remained at 27% year-on-year.

Revenue from DPAS business decreased by 27% from \$2.7 million in 2H-19 to \$2.0 million in 2H-20 and 43% from \$5.8 million in YTD-19 to \$3.3 million in YTD-20. The gross margin decreased by 7% from 32% in 2H-19 to 25% in 2H-20 and 9% from 29% in YTD-19 to 20% in YTD-20, mainly due to lower sales volume amid the outbreak of COVID-19 but overheads continued to be incurred.

Revenue from Investment segment, in contrast increased by 12% from \$3.5 million in 2H-19 to \$3.9 million in 2H-20 and 13% from \$7.0 million in YTD-19 to \$7.9 million in YTD-20, mainly due to increase in coupon interest

income from investment in bonds by \$0.7 million in 2H-20 and \$1.1 million in YTD-20 respectively. Higher coupon interest income was mainly due to the cumulative effect from the investments made since first quarter of 2019 from the utilization of the rights cum warrants proceeds and leverage. The increase was partially offset by the decrease in dividend income received from investment in marketable securities by \$0.3 million in 2H-20 and \$0.2 million in YTD-20 respectively.

Other operating income increased by \$1.3 million from \$0.5 million in 2H-19 to \$1.8 million in 2H-20, mainly due to the various support measures from the Singapore Government such as Job Support Scheme of \$1.0 million and property tax rebates/cash grant of \$0.2 million, as well as remaining insurance claims of \$0.1 million for the damaged equipment and raw materials due to the flooding incident that affected DPAS division. Year-on-year, other operating income increased by \$2.7 million with \$2.6 million from government grants and supports received in view of the COVID-19 pandemic.

Administrative expenses decreased by \$1.9 million in 2H-20, mainly due to the decrease in staff cost by \$1.4 million and related outlet/office running costs such as credit card charges, utilities and communication costs of \$0.3 million.

Other operating expenses increased by \$0.3 million in 2H-20, mainly due to the higher loss allowance for inventories by \$0.6 million, loss allowance for trade receivables of \$0.3 million from DPAS division and foreign exchange loss of \$0.3 million. The increase was partially offset by the savings from reduced rental expenses by \$0.1 million from the rental assistance and/or rental subsidies from the malls, decrease in depreciation of right-of-use assets by \$0.6 million and reversal of loss allowance for other receivables by \$0.2 million, pertaining to the loan to a third party.

Finance expenses decreased by \$0.5 million from \$0.9 million in 2H-19 to \$0.4 million in 2H-20, mainly due to the decrease in interest on bank loans resulted from the repayment of loans.

The Group's 2H-20 net losses increased by \$12.6 million from net loss of \$2.2 million in 2H-19 to \$14.8 million in 2H-20 and registered net loss of \$14.3 million in YTD-20 as compared to net profits of \$1.0 million in YTD-19, mainly due to one-off impairment of \$0.4 million in total, for right-of-use assets and fixed assets amounting to \$0.3 million and \$0.1 million respectively, loss allowance of \$17.2 million on investment in debt securities and loss allowance for trade receivables of \$0.5 million as explained in Note 6 and 7.

Excluding these impairments, the Group would have generated net profits of \$3.2 million in 2H-20 which is 6% higher than \$3.0 million in 2H-19 and \$3.7 million in YTD-20, a decrease of 41% as compared to \$6.3 million in YTD-19, from its continuing operations, impacted by the COVID-19 pandemic outbreak and the cessation of M1 operations.

S\$'000	2H-20	2H-19	Inc/(Dec) %	YTD-20	YTD-19	Inc/(Dec) %
(Loss) Profit for the period from continuing operations	(14,888)	(2,223)	570%	(14,380)	1,041	N.M.
<u>Impairments during the year:</u>						
Allowance for impairment of non-current assets	373	571	(35%)	364	571	(36%)
Loss allowance on investment in debt securities	17,166	1,851	827%	17,166	1,851	827%
Loss allowance for trade receivables	536	-	N.M.	536	-	N.M.
Impairment loss on goodwill of a subsidiary	-	2,798	N.M.	-	2,798	N.M.
Adjusted profit for the period from continuing operations	3,187	2,997	6%	3,686	6,261	(41%)

Cash Flows

The Group registered cash and cash equivalents of \$12.3 million as at 31 December 2020, representing an inflow of \$5.2 million since 31 December 2019.

Cashflow from operating activities

Net cash outflow of \$0.4 million in 2H-20 arose mainly due to changes in working capital of \$6.7 million resulted mainly from higher trade receivables. However, it was offset by positive operating cash flows before movements in working capital of \$5.6 million and interest received from debt securities of \$0.6 million.

Net cash inflow of \$26.7 million in FY2020 arose mainly due to changes in working capital of \$15.9 million resulted from lower trade receivables and inventories, positive operating cash flows before movements in working capital of \$8.4 million and interest received from debt securities of \$2.0 million.

Cashflow from investing activities

Net cash inflow of \$2.8 million in 2H-20 was mainly due to the proceeds from disposal of equity securities and debt securities of \$10.0 million and \$3.1 million respectively, partially offset by the investment in debt securities and equity securities of \$6.7 million and \$3.2 million respectively and loan extended to a third party of \$0.5 million.

Net cash inflow of \$12.5 million in FY2020 was mainly due to the proceeds from disposal of debt securities and equity securities of \$28.0 million and \$12.3 million respectively, partially offset by the investment in debt securities and equity securities of \$6.7 million and \$19.6 million respectively and loan extended to a third party of \$1.5 million.

Cashflow from financing activities

Net cash outflow of \$6.5 million in 2H-20 was attributable to the repayment of bank borrowings of \$4.0 million, repayment of lease liabilities of \$1.7 million, loan interest payment of \$0.4 million and purchase of treasury shares of \$0.2 million.

In FY2020, net cash outflow of \$34.0 million was mainly due to repayment of bank borrowings of \$27.1 million, repayment of lease liabilities of \$3.6 million, loan interest payment of \$1.1 million and purchase of treasury shares of \$1.9 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

With the uncertainties in the global economy because of the ongoing COVID-19 pandemic crisis, it is anticipated that the Group's businesses will continue to be challenging in FY2021.

The Investment division is progressively reallocating its investment mix, with a view to hold up to 100% equities in the investment portfolio. Dividend income will be the main revenue source for the division, though dividend yield is expected to be lower in FY2021, as it is likely that companies may be conservative in dividend payouts due to the economic downturn.

DMS's retail and distribution performance are expected to be modest as consumer goods sectors are unlikely to return to pre-COVID-19 levels with weaker consumer spending due to the economic downturn and limited tourist arrivals. DMS restructured its business operations in the 4th quarter of 2020 with the cessation of M1's distribution business and will continue to exercise financial prudence through a tight rein on costs.

Malaysia announced stricter measures to contain the surge in COVID-19 infections in January 2021 which is likely to slow down the pace of the economic recovery from the pandemic. DPAS division's performance is expected to be subdued with high dependency on the advertising budget of its clients. Nevertheless, the division will continue to exercise cost discipline in its operations to stay relevant in the industry.

With the prevailing economic and business conditions, the Group remains cautious in its outlook for FY2021. The Group will continue to seek potential business opportunities to strengthen its revenue streams in the long term.

11. A breakdown of sales as follows:-

In S\$'000	FY2020	FY2019	Inc/(Dec)
<u>Continuing operation</u>			
Sales reported for first half year	86,348	136,339	-37%
Operating profit after tax before deducting non-controlling interests reported for first half year	508	3,264	-84%
Sales reported for second half year	106,449	149,352	-29%
Operating loss after tax before deducting non-controlling interests reported for second half year	(14,888)	(2,223)	570%
<u>Discontinued operation</u>			
Sales reported for first half year	-	-	N.M.
Operating loss after tax before deducting non-controlling interests reported for first half year	(16)	-	N.M.
Sales reported for second half year	-	-	N.M.
Operating profit (loss) after tax before deducting non-controlling interests reported for second half year	132	(5)	N.M.

12. 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

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

No dividend has been declared or recommended for the period, mainly due to the allowance for impairment made in 2H-20 that resulted in losses incurred for the financial period.

14. Segment revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

For management purposes, the Group is organised into four business segments, After-Market Services ("AMS"), Distribution Management Solutions ("DMS"), Digital Inkjet Printing for Out-Of-Home Advertising Solutions ("DPAS") and Investment.

AMS provides after market services for mobile equipment and consumer electronic products; DMS is a distributor and retailer of mobile telecommunication equipment and mobile related services, including prepaid cards and cosmetics products; DPAS provides digital inkjet printing for point-of-sale and out-of-home advertising solutions; Investment segment primarily comprises investment in marketable securities.

The segments are the basis which the Group reports information to the Group's key operating decision makers for the purposes of resource allocation and assessment of the segment information.

(a) Segment revenues and results

FY2020 \$'000	<----Continuing Operation----->						Total
	AMS	DMS	DPAS	Investment	Discontinued Operation	Unallocated	
Segment revenue							
External	17,333	164,252	3,297	7,915	-	-	192,797
Inter-segment	-	-	-	-	-	-	-
	<u>17,333</u>	<u>164,252</u>	<u>3,297</u>	<u>7,915</u>	<u>-</u>	<u>-</u>	<u>192,797</u>
Segment result	992	(1,680)	(536)	(13,054)	134	15	(14,129)
Net foreign exchange loss							(321)
Gain on disposal of plant and equipment							78
Loss on disposal of right-of-use assets							(36)
Loss before income tax & share of associate results							<u>(14,408)</u>
Share of profit of associate							5
							<u>(14,403)</u>
Income tax credit							139
Net loss for the year							<u>(14,264)</u>
Segment assets	<u>11,521</u>	<u>55,036</u>	<u>11,735</u>	<u>101,084</u>	<u>336</u>	<u>142</u>	<u>179,854</u>
Segment liabilities	<u>(4,201)</u>	<u>(17,919)</u>	<u>(4,555)</u>	<u>(26,878)</u>	<u>-</u>	<u>(423)</u>	<u>(53,976)</u>
Other segment information							
Capital expenditure – property, plant and equipment	24	258	87	-	-	-	369
Capital expenditure - right-of-use assets	1,749	1,439	-	-	-	-	3,188
Depreciation – property, plant and equipment	307	643	460	-	-	-	1,410
Depreciation – right-of-use assets	645	2,609	170	-	-	-	3,424
Allowance for impairment of plant and equipment	-	137	-	-	-	-	137
Allowance for impairment of right-of-use assets	-	227	-	-	-	-	227

FY2019
\$'000

<----Continuing Operation----->

	AMS	DMS	DPAS	Investment	Discontinued Operation	Unallocate d	Total
Segment revenue							
External	19,864	253,048	5,793	6,986	-	-	285,691
Inter-segment	-	-	-	-	-	-	-
	<u>19,864</u>	<u>253,048</u>	<u>5,793</u>	<u>6,986</u>	<u>-</u>	<u>-</u>	<u>285,691</u>
Segment result	656	(35)	417	2,712	-	(2,602)	1,148
Net foreign exchange loss							(153)
Gain on disposal of plant and equipment							23
Gain on disposal of right-of-use assets							9
Profit before income tax & share of associate results							<u>1,027</u>
Share of profit of associate							<u>6</u>
							<u>1,033</u>
Income tax credit							<u>3</u>
Net profits for the year							<u>1,036</u>
Segment assets	<u>9,167</u>	<u>72,847</u>	<u>11,700</u>	<u>140,437</u>	<u>401</u>	<u>127</u>	<u>234,679</u>
Segment liabilities	<u>(3,295)</u>	<u>(24,371)</u>	<u>(4,729)</u>	<u>(51,004)</u>	<u>(127)</u>	<u>(315)</u>	<u>(83,841)</u>
Other segment information							
Capital expenditure – property, plant and equipment	454	865	62	-	-	-	1,381
Capital expenditure - right-of-use assets	364	2,770	121	-	-	-	3,255
Depreciation – property, plant and equipment	235	770	554	-	-	-	1,559
Depreciation – right-of-use assets	653	3,410	171	-	-	-	4,234
Allowance for impairment of plant and equipment	-	91	-	-	-	-	91
Allowance for impairment of right-of-use assets	-	480	-	-	-	-	480

(b) Geographical information

	Revenue from external customers	
	FY2020 \$'000	FY2019 \$'000
Continuing Operation		
Singapore	189,500	279,898
Malaysia	3,297	5,793
	<u>192,797</u>	<u>285,691</u>
Discontinued Operation		
Myanmar	-	-
	<u>192,797</u>	<u>285,691</u>

	Non-current assets	
	FY2020	FY2019
	\$'000	\$'000
Continuing Operation		
Singapore	94,292	129,569
Malaysia	8,361	7,841
	102,653	137,410
Discontinued Operation		
Myanmar	335	341
	102,988	137,751

15. 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	339	-
Total	339	-

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

16. Use of proceeds

As at 31 December 2020, 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 95,350
Less:	
Investments in quoted securities	(55,360)
Repayment of loan to finance the investment in quoted securities	(24,075)
Utilisation towards working capital – purchases of inventories	(15,915)
Balance of net proceeds	-

¹Aggregate proceeds from Rights and conversion of Warrants as at 31 December 2020.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, any, during the year
Ong Ghim Chwee	56	Brother of Ong Ghim Choon (Director and Group Chief Executive Officer)	<p>Director (Logistics) of Distribution Management Solutions Pte Ltd since January 2006.</p> <p>Director (Sales) of SDS Pte Ltd since October 2020</p>	<p>No change</p> <p>Manage and supervise distribution of Singtel Prepaid Cards under SDS</p>

18. 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
26 February 2021

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 second half 2020 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 and Risk Committee

Ong Ghim Choon
Chief Executive Officer

Singapore, 26 February 2021