



MDR Limited
(Company Registration No: 200009059G)

**UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS AND FULL YEAR ENDED
31 DECEMBER 2022**

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Group					
		6 months ended 31 December 2022	6 months ended 31 December 2021	Inc/(Dec) %	12 months ended 31 December 2022	12 months ended 31 December 2021	Inc/(Dec) %
		S\$'000	S\$'000		S\$'000	S\$'000	
Continuing operations							
Revenue	6	92,856	93,284	0%	175,480	189,281	(7%)
Cost of sales	6	(78,828)	(79,907)	(1%)	(147,959)	(164,351)	(10%)
Gross profit	6	14,028	13,377	5%	27,521	24,930	10%
Other operating income	7	1,564	2,426	(36%)	3,944	4,179	(6%)
Administrative expenses		(9,874)	(9,849)	0%	(17,815)	(17,900)	0%
Other operating expenses	8	(2,486)	(4,191)	(41%)	(5,091)	(6,722)	(24%)
Finance costs	9	(936)	(509)	84%	(1,409)	(969)	45%
Total expenses		(13,296)	(14,549)	(9%)	(24,315)	(25,591)	(5%)
Operating profit before share of profit of associate and income tax		2,296	1,254	83%	7,150	3,518	103%
Allowance for impairment of plant and equipment	8	(16)	(1)	1500%	(16)	(1)	1500%
Allowance for impairment of right-of-use assets	8	(471)	(231)	104%	(471)	(231)	104%
Reversal of loss allowance on investment in debt securities	8	10,721	1,420	655%	4,492	1,420	216%
Loss allowance for trade receivables	8	(949)	(1,314)	(28%)	(2,705)	(1,341)	102%
Fair value gain on unquoted equity investment	8	109	658	(83%)	109	658	(83%)
Fair value gain on convertible loan	8	881	510	73%	881	510	73%
Fair value loss on derivative asset	8	(180)	(234)	(23%)	(180)	(234)	(23%)
Operating profit before share of profit of associate and income tax		12,391	2,062	501%	9,260	4,299	115%
Share of profit of associate		2	2	0%	4	5	(20%)
Profit before income tax		12,393	2,064	500%	9,264	4,304	115%
Income tax credit/(expense)	10	27	(225)	N.M.	(80)	(229)	(65%)
Profit for the period from continuing operations		12,420	1,839	575%	9,184	4,075	125%
Discontinued operations							
(Loss) Profit for the period from discontinued operations	11	-	15	N.M.	(1,959)	52	N.M.
Profit for the period		12,420	1,854	570%	7,225	4,127	75%

N.M. : Not Meaningful

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

Notes	Group					
	6 months ended 31 December 2022	6 months ended 31 December 2021	Inc/(Dec) %	12 months ended 31 December 2022	12 months ended 31 December 2021	Inc/(Dec) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Other comprehensive (loss) income						
Items that will not be reclassified subsequently to profit or loss						
Net fair value changes in equity and debt securities carried at fair value through other comprehensive income	600	10,086	(94%)	(11,036)	27,715	N.M.
Revaluation of land and buildings	-	149	N.M.	-	149	N.M.
Income tax relating to component of other comprehensive income that will not be reclassified subsequently	-	(36)	N.M.	-	(36)	N.M.
Items that may be reclassified subsequently to profit or loss						
Currency translation differences arising from consolidation	(155)	(19)	716%	(357)	(164)	118%
Other comprehensive (loss) income for the period, net of tax	<u>445</u>	<u>10,180</u>	<u>(96%)</u>	<u>(11,393)</u>	<u>27,664</u>	<u>N.M.</u>
Total comprehensive (loss) income for the period	<u>12,865</u>	<u>12,034</u>	<u>7%</u>	<u>(4,168)</u>	<u>31,791</u>	<u>N.M.</u>
Profit attributable to:						
Owners of the Company	12,446	1,853	572%	7,258	4,085	78%
Non-controlling interests	(26)	1	N.M.	(33)	42	N.M.
	<u>12,420</u>	<u>1,854</u>	<u>570%</u>	<u>7,225</u>	<u>4,127</u>	<u>75%</u>
Total comprehensive (loss) income attributable to:						
Owners of the Company	12,891	12,048	7%	(4,135)	31,801	N.M.
Non-controlling interests	(26)	(14)	86%	(33)	(10)	230%
	<u>12,865</u>	<u>12,034</u>	<u>7%</u>	<u>(4,168)</u>	<u>31,791</u>	<u>N.M.</u>
Earnings per share (cents):						
From continuing and discontinued operations:	12					
- Basic	1.421	0.210		0.829	0.463	
- Diluted	<u>1.421</u>	<u>0.210</u>		<u>0.829</u>	<u>0.463</u>	
From continuing operations:						
- Basic	1.421	0.210		1.052	0.463	
- Diluted	<u>1.421</u>	<u>0.210</u>		<u>1.052</u>	<u>0.463</u>	

N.M. : Not Meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		30-Dec-22 S\$'000	31-Dec-21 S\$'000	30-Dec-22 S\$'000	31-Dec-21 S\$'000
ASSETS					
Current assets					
Cash and bank balances		12,768	25,009	1,872	3,891
Trade receivables	16	16,023	40,296	5,315	30,000
Other receivables and prepayments	17	2,387	3,294	12,596	16,794
Inventories	18	18,142	13,936	748	770
Investment in debt securities	22	13,027	21,334	13,027	21,334
Income tax recoverable		236	183	-	-
Total current assets		<u>62,583</u>	<u>104,052</u>	<u>33,558</u>	<u>72,789</u>
Non-current assets					
Other receivables and prepayments	17	867	2,028	50	48
Investment in subsidiaries		-	-	3,328	3,328
Investment in an associate		32	30	-	-
Investment in equity securities	21	101,032	78,851	101,032	78,851
Investment in debt securities	22	52,669	20,367	52,669	20,367
Property, plant and equipment	19	1,751	2,098	731	1,003
Right-of-use assets	20	4,488	6,554	501	1,011
Investment property	23	7,763	8,099	-	-
Convertible loan	24	2,891	2,010	2,891	2,010
Derivative assets	21	64	225	64	225
Total non-current assets		<u>171,557</u>	<u>120,262</u>	<u>161,266</u>	<u>106,843</u>
Total assets		<u>234,140</u>	<u>224,314</u>	<u>194,824</u>	<u>179,632</u>
Current liabilities					
Bank overdrafts and loans	25	58,504	36,704	55,678	33,387
Trade payables		6,694	8,820	1,566	1,169
Other payables		8,667	8,195	4,288	4,655
Lease liabilities		3,565	4,387	510	590
Lease liabilities from financial institutions		81	83	76	77
Income tax payable		-	144	-	-
Total current liabilities		<u>77,511</u>	<u>58,333</u>	<u>62,118</u>	<u>39,878</u>
Non-current liabilities					
Bank loans	25	2,358	3,595	2,358	3,595
Other payables		314	1,011	-	-
Lease liabilities		1,806	2,902	24	480
Lease liabilities from financial institutions		12	95	12	91
Deferred tax liabilities		421	439	-	-
Total non-current liabilities		<u>4,911</u>	<u>8,042</u>	<u>2,394</u>	<u>4,166</u>

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		30-Dec-22 S\$'000	31-Dec-21 S\$'000	31-Dec-22 S\$'000	31-Dec-21 S\$'000
Capital, reserves and non-controlling interests					
Share capital	26	123,276	123,276	123,276	123,276
Treasury shares	27	(2,836)	(2,823)	(2,836)	(2,823)
Other reserves		(6,917)	6,758	(7,318)	5,455
Retained earnings		37,708	32,166	17,190	9,680
Equity attributable to owners of the Company		151,231	159,377	130,312	135,588
Non-controlling interests		487	(1,438)	-	-
Total equity		151,718	157,939	130,312	135,588
Total liabilities and equity		234,140	224,314	194,824	179,632

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Share capital	Treasury shares	Capital reserve	Premium on acquisition of non-controlling interests	Investment revaluation reserve	Property revaluation reserve	Currency translation reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2022	123,276	(2,823)	556	(881)	5,433	1,696	(46)	32,166	159,377	(1,438)	157,939
Total comprehensive income (loss) for the year											
Profit (Loss) for the year	-	-	-	-	-	-	-	7,258	7,258	(33)	7,225
Gain on disposal of investment securities transferred between reserves	-	-	-	-	(1,748)	-	-	1,748	-	-	-
Other comprehensive loss for the year	-	-	-	-	(11,036)	-	(357)	-	(11,393)	-	(11,393)
Total	-	-	-	-	(12,784)	-	(357)	9,006	(4,135)	(33)	(4,168)
Transactions with owners, recognised directly in equity											
Dividend	-	-	-	-	-	-	-	(3,998)	(3,998)	-	(3,998)
Purchase of treasury shares	-	(13)	-	-	-	-	-	-	(13)	-	(13)
Loss from disposal of non-controlling interests with change in control	-	-	(534)	-	-	-	-	534	-	1,958	1,958
Total	-	(13)	(534)	-	-	-	-	(3,464)	(4,011)	1,958	(2,053)
Balance as at 31 December 2022	123,276	(2,836)	22	(881)	(7,351)	1,696	(403)	37,708	151,231	487	151,718
Balance as at 1 January 2021	154,455	(1,908)	556	(881)	(17,536)	1,583	66	(9,000)	127,335	(1,457)	125,878
Prior period adjustment	-	-	-	-	-	-	-	1,156	1,156	29	1,185
Balance as at 1 January 2021, restated	154,455	(1,908)	556	(881)	(17,536)	1,583	66	(7,844)	128,491	(1,428)	127,063
Total comprehensive income (loss) for the year											
Profit for the year	-	-	-	-	-	-	-	4,085	4,085	42	4,127
Gain on disposal of investment securities transferred between reserves	-	-	-	-	(4,746)	-	-	4,746	-	-	-
Other comprehensive income (loss) for the year	-	-	-	-	27,715	113	(112)	-	27,716	(52)	27,664
Total	-	-	-	-	22,969	113	(112)	8,831	31,801	(10)	31,791
Transactions with owners, recognised directly in equity											
Capital reduction	(31,179)	-	-	-	-	-	-	31,179	-	-	-
Purchase of treasury shares	-	(915)	-	-	-	-	-	-	(915)	-	(915)
Total	(31,179)	(915)	-	-	-	-	-	31,179	(915)	-	(915)
Balance as at 31 December 2021	123,276	(2,823)	556	(881)	5,433	1,696	(46)	32,166	159,377	(1,438)	157,939

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company	Share capital	Treasury shares	Capital reserve	Investment revaluation reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2022	123,276	(2,823)	22	5,433	9,680	135,588
Total comprehensive income (loss) for the year						
Profit for the year	-	-	-	-	9,760	9,760
Gain on disposal of investment securities transferred between reserves	-	-	-	(1,748)	1,748	-
Other comprehensive loss for the year	-	-	-	(11,036)	-	(11,036)
Total	-	-	-	(12,784)	11,508	(1,276)
Transactions with owners, recognised directly in equity						
Dividends	-	-	-	-	(3,998)	(3,998)
Purchase of treasury shares	-	(13)	-	-	-	(13)
Waiver of debts from related companies	-	-	11	-	-	11
Total	-	(13)	11	-	(3,998)	(4,000)
Balance as at 31 December 2022	<u>123,276</u>	<u>(2,836)</u>	<u>33</u>	<u>(7,351)</u>	<u>17,190</u>	<u>130,312</u>
Balance as at 1 January 2021	154,455	(1,908)	22	(17,536)	(31,179)	103,854
Total comprehensive income for the year						
Profit for the year	-	-	-	-	4,934	4,934
Gain on disposal of investment securities transferred between reserves	-	-	-	(4,746)	4,746	-
Other comprehensive income for the year	-	-	-	27,715	-	27,715
Total	-	-	-	22,969	9,680	32,649
Transactions with owners, recognised directly in equity						
Capital reduction	(31,179)	-	-	-	31,179	-
Purchase of treasury shares	-	(915)	-	-	-	(915)
Total	(31,179)	(915)	-	-	31,179	(915)
Balance as at 31 December 2021	<u>123,276</u>	<u>(2,823)</u>	<u>22</u>	<u>5,433</u>	<u>9,680</u>	<u>135,588</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	12 months ended 31 December 2022	12 months ended 31 December 2021
	S\$'000	S\$'000
Operating activities		
Profit before income tax from continuing operations	9,264	4,304
(Loss)/Profit before income tax from discontinued operations	(1,959)	52
	<u>7,305</u>	<u>4,356</u>
Adjustments for:		
Share of profit of an associate	(4)	(5)
Depreciation of plant and equipment (Note A)	742	948
Depreciation of right-of-use assets (Note A)	4,309	4,147
Interest expenses	1,409	969
Interest income from fixed deposits	(12)	(12)
Interest income from lease receivables	(81)	(107)
Interest income from loans to third parties	(1,706)	(2,318)
Interest income from investment in debt securities	(5,213)	(891)
Gain on disposal of plant and equipment	(30)	(37)
Gain on disposal of right-of-use assets	(15)	-
Gain on lease modification	-	(31)
Gain on disposal of investment in debt securities	(501)	(21)
Plant and equipment written off	17	36
Loss on change in control of subsidiaries	1,958	-
Allowance for inventories	201	34
(Reversal of inventories written off)/Inventories written off	(1)	1,833
Loss allowance for trade receivables	2,705	1,341
Allowance for impairment loss of plant and equipment	16	1
Allowance for impairment loss of right-of-use assets	471	231
Reversal of loss allowance on investment in debt securities	(4,492)	(1,420)
Bad debts written off - trade	4	-
Fair value gain on unquoted equity investment	(109)	(658)
Fair value gain on convertible loan	(881)	(510)
Fair value loss on derivative assets	180	234
Fair value gain on investment property	(153)	-
Net foreign exchange gain	(116)	(800)
Operating cash flows before movements in working capital	<u>6,003</u>	<u>7,320</u>
Trade receivables	(657)	(3,305)
Other receivables and prepayments	2,081	7,404
Inventories	(4,406)	9,180
Trade payables	(2,146)	(2,883)
Other payables	(308)	5,121
Cash generated from operations	<u>567</u>	<u>22,837</u>
Income tax paid	(280)	(105)
Interest received	93	119
Interest received from debt securities	2,164	402
Interest received from loans to third parties	2,350	1,179
Net cash from operating activities	<u>4,894</u>	<u>24,432</u>
Investing activities		
Proceeds from disposal of plant and equipment	181	75
Purchase of plant and equipment (Note B)	(532)	(1,014)
Proceeds from disposal of quoted equity securities	12,311	51,261
Purchase of quoted equity securities	(39,323)	(18,528)
Investment in unquoted equity securities	(90)	(1,500)
Proceeds from disposal of quoted debt securities	12,034	6,053
Purchase of quoted debt securities	(37,426)	(26,739)
Loans to third parties	-	(24,000)
Repayment of loan from a third party	24,000	-
Net cash used in investing activities	<u>(28,845)</u>	<u>(14,392)</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	12 months ended 31 December 2022	12 months ended 31 December 2021
	S\$'000	S\$'000
Financing activities		
Purchase of treasury shares	(13)	(915)
Interest paid	(1,354)	(969)
Repayment of lease liabilities	(4,588)	(4,061)
Repayment of lease liabilities from financial institutions	(85)	(244)
Repayment of bank borrowings	(40,980)	(34,338)
Proceeds from bank borrowings	62,728	43,173
Dividends paid to shareholders	(3,998)	-
Net cash from financing activities	<u>11,710</u>	<u>2,646</u>
Net (decrease) increase in cash and cash equivalents	(12,241)	12,686
Cash and cash equivalents at beginning of period	25,009	12,324
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	(1)
Cash and cash equivalents at end of period	<u>12,768</u>	<u>25,009</u>

Note

A. Depreciation expense:

In YTD-22, included in depreciation expense of \$5,051,000 (YTD-21: \$5,095,000) in the statement of cash flows is \$4,852,000 (YTD-21: \$4,677,000) which is classified in other operating expenses (Note 8) with the remaining classified in cost of sales.

B. Purchase of property, plant and equipment:

In YTD-22, the Group acquired plant and equipment with an aggregate cost of \$532,000 (YTD-21: \$1,216,000) of which \$Nil (YTD-21: \$202,000) was acquired under hire purchase loan arrangements with financial institutions.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

MDR Limited (the Company) is incorporated and domiciled in Singapore and its shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the Group).

The primary activities of the Company are that of investment holding and provision of after-market services for mobile communication devices and consumer electronic products.

The principal activities of the Group are:

- a) provision of after-market services for mobile equipment and consumer electronic products;
- b) distributor and retailer of mobile telecommunication equipment and mobile related services, including prepaid cards;
- c) the provision of digital inkjet printing for point-of-sale and out-of-home advertising solutions; and
- d) investment

2 BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following:

2 BASIS OF PREPARATION (CONT'D)

2.2. Use of judgements and estimates (cont'd)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

Valuation of inventories

In determining the net realisable value of the inventories, an estimation of the net realisable value of inventories on hand is performed by management based on the most reliable evidence available at the time the estimates are made. These estimates took into consideration the latest selling prices and the saleability of these inventories. The carrying amount of inventories as at 31 December 2022 is disclosed in Note 18 to the condensed interim consolidated financial statements.

Recoverable amount of property, plant and equipment and right-of-use assets for non-performing outlets

Determining whether property, plant and equipment and right-of-use assets are impaired where indicators of impairment exist requires an estimation of the recoverable amount of these assets. The recoverable amount is based on the value in use of the cash-generating unit, to which the assets belong to. The value in use methodology that is based on cash flow forecasts requires significant management's judgement about future market conditions, including growth rates and discount rates.

The carrying amount of property, plant and equipment and right-of-use assets as at 31 December 2022 are disclosed in Notes 19 and 20 to the condensed interim consolidated financial statements respectively.

Valuation of debt securities

The Group makes allowances for expected credit losses based on an assessment of the recoverability of the debt securities measured at amortised cost and fair value through other comprehensive income. The impairment provisions for debt securities are based on assumptions about risk of default of the issuer and the exposure on default. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation based on the financials of the issuers, existing market conditions as well as forward looking estimates at the end of each reporting period.

The identification of loss allowance requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will have an impact on the carrying amount of the debt securities and loss allowance in the period in which such estimate has been changed.

The justification on the provision of expected credit loss allowance for the debt securities and the carrying amount of debt securities as at 31 December 2022 is disclosed in Note 22 to the condensed interim consolidated financial statements.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3 SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 SEGMENT AND REVENUE INFORMATION

For management purposes, the Group is organized 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; 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.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

(a) Reportable Segment

1 July 2022 to 31 December 2022 S\$'000	<----Continuing Operation----->						Total
	AMS	DMS	DPAS	Investment	Discontinued Operation	Unallocated	
Segment revenue							
External	9,406	75,334	2,376	5,740	-	-	92,856
Inter-segment	-	-	-	-	-	-	-
	<u>9,406</u>	<u>75,334</u>	<u>2,376</u>	<u>5,740</u>	<u>-</u>	<u>-</u>	<u>92,856</u>
Segment result	85	(983)	777	12,463	-	455	12,797
Net foreign exchange (loss)							(433)
Gain on disposal of plant and equipment							15
Gain on disposal of right-of-use assets							12
Profits before income tax & share of associate results							<u>12,391</u>
Share of profit of associate							<u>2</u>
Profits before income tax							<u>12,393</u>
Income tax credit							<u>27</u>
Net profit for the year							<u>12,420</u>
Segment assets	<u>5,576</u>	<u>43,724</u>	<u>11,396</u>	<u>173,443</u>	<u>1</u>	<u>-</u>	<u>234,140</u>
Segment liabilities	<u>(3,637)</u>	<u>(13,658)</u>	<u>(3,879)</u>	<u>(60,827)</u>	<u>-</u>	<u>(421)</u>	<u>(82,422)</u>
Other segment information							
Capital expenditure – property, plant and equipment	9	257	79	-	-	-	345
Capital expenditure - right-of-use assets	-	2,254	-	-	-	-	2,254
Reversal of loss allowance on investment in debt securities	-	-	-	(10,721)	-	-	(10,721)
Depreciation – property, plant and equipment	141	152	55	1	-	-	349
Depreciation – right-of-use assets	350	1,736	62	-	-	-	2,148
Allowance for impairment of plant and equipment	-	16	-	-	-	-	16
Allowance for impairment of right-of-use assets	-	471	-	-	-	-	471
Plant and equipment written off	5	10	-	-	-	-	15
(Reversal of allowance)/Allowance for inventories	(13)	66	(3)	-	-	-	50
(Reversal of inventories written off)/Inventories written off	-	(5)	4	-	-	-	(1)
(Reversal of allowance)/Allowance for trade receivables	(3)	22	21	909	-	-	949
Gain on disposal of debt securities	-	-	-	(493)	-	-	(493)
Interest income (recorded under revenue)	-	-	-	(3,587)	-	-	(3,587)
Interest income (recorded under other operating income)	-	(33)	(5)	(2)	-	-	(40)
Interest expenses	19	87	64	766	-	-	936
Fair value gain on debt securities	-	-	-	(109)	-	-	(109)
Fair value gain on convertible loan	-	-	-	(881)	-	-	(881)
Fair value loss on derivative asset	-	-	-	180	-	-	180
Change in fair value of investment property	-	-	-	(153)	-	-	(153)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

1 January 2022 to 31 December 2022 S\$'000	<----Continuing Operation----->						Total
	AMS	DMS	DPAS	Investment	Discontinued Operation	Unallocated	
Segment revenue							
External	17,329	142,111	4,419	11,621	-	-	175,480
Inter-segment	-	-	-	-	-	-	-
	<u>17,329</u>	<u>142,111</u>	<u>4,419</u>	<u>11,621</u>	<u>0</u>	<u>0</u>	<u>175,480</u>
Segment result	145	(1,263)	1,275	8,674	(1,959)	8	6.880
Net foreign exchange gain							376
Gain on disposal of plant and equipment							30
Gain on disposal of right-of-use assets							15
Profits before income tax & share of associate results							<u>7,301</u>
Share of profit of associate							4
Profits before income tax							<u>7,305</u>
Income tax expense							(80)
Net profit for the year							<u>7,225</u>
Segment assets	5,576	43,724	11,396	173,443	1	-	234,140
Segment liabilities	(3,637)	(13,658)	(3,879)	(60,827)	-	(421)	(82,422)
Other segment information							
Capital expenditure – property, plant and equipment	29	357	146	-	-	-	532
Capital expenditure - right-of-use assets	198	2,551	-	-	-	-	2,749
Reversal of loss allowance on investment in debt securities	-	-	-	(4,492)	-	-	(4,492)
Depreciation – property, plant and equipment	296	328	117	1	-	-	742
Depreciation – right-of-use assets	706	3,476	127	-	-	-	4,309
Allowance for impairment of plant and equipment	-	16	-	-	-	-	16
Allowance for impairment of right-of-use assets	-	471	-	-	-	-	471
Plant and equipment written off	5	12	-	-	-	-	17
Allowance for inventories	32	166	3	-	-	-	201
(Reversal of inventories written off)/Inventories written off	-	(5)	4	-	-	-	(1)
(Reversal of allowance)/Allowance for trade receivables	(3)	22	32	2,654	-	-	2,705
Gain on disposal of debt securities	-	-	-	(501)	-	-	(501)
Interest income (recorded under revenue)	-	-	-	(6,919)	-	-	(6,919)
Interest income (recorded under other operating income)	-	(82)	(9)	(2)	-	-	(93)
Interest expenses	49	205	124	1,031	-	-	1,409
Fair value gain on debt securities	-	-	-	(109)	-	-	(109)
Fair value gain on convertible loan	-	-	-	(881)	-	-	(881)
Fair value loss on derivative asset	-	-	-	180	-	-	180
Change in fair value of investment property	-	-	(153)	-	-	-	(153)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

1 July 2021 to 31 December 2021 S\$'000	<----Continuing Operation----->						Total
	AMS	DMS	DPAS	Investment	Discontinued Operation	Unallocated	
Segment revenue							
External	8,156	79,209	1,859	4,060	0	0	93,284
Inter-segment	-	-	-	-	-	-	-
	<u>8,156</u>	<u>79,209</u>	<u>1,859</u>	<u>4,060</u>	<u>0</u>	<u>0</u>	<u>93,284</u>
Segment result	(83)	(253)	192	1,228	0	552	1,636
Net foreign exchange gain							440
Gain on disposal of plant and equipment							1
Gain on disposal of right-of-use assets							-
Profits before income tax & share of associate results							<u>2,077</u>
Share of profit of associate							<u>2</u>
Profits before income tax							<u>2,079</u>
Income tax expense							<u>(225)</u>
Net profit for the year							<u>1,854</u>
Segment assets	<u>8,889</u>	<u>53,106</u>	<u>11,177</u>	<u>150,799</u>	<u>343</u>	<u>-</u>	<u>224,314</u>
Segment liabilities	<u>(6,356)</u>	<u>(17,905)</u>	<u>(4,259)</u>	<u>(37,415)</u>	<u>-</u>	<u>(440)</u>	<u>(66,375)</u>
Other segment information							
Capital expenditure – property, plant and equipment	1	195	48	-	-	-	244
Capital expenditure - right-of-use assets	-	6,478	243	-	-	-	6,721
Reversal of loss allowance on investment in debt securities	-	-	-	(1,420)	-	-	(1,420)
Depreciation – property, plant and equipment	166	189	98	-	-	-	453
Depreciation – right-of-use assets	363	1,852	108	-	-	-	2,323
Allowance for impairment of plant and equipment	-	1	-	-	-	-	1
Allowance for impairment of right-of-use assets	-	231	-	-	-	-	231
Plant and equipment written off	-	1	32	-	-	-	33
(Reversal of allowance)/Allowance for inventories	(59)	(160)	12	-	-	-	(207)
Inventories written off	-	1,823	10	-	-	-	1,833
Loss allowance for trade receivables	-	215	26	1,073	-	-	1,314
Interest income (recorded under revenue)	-	-	-	(1,658)	-	-	(1,658)
Interest income (recorded under other operating income)	-	(108)	(5)	-	-	-	(113)
Interest expenses	34	168	62	245	-	-	509
Fair value gain on debt securities	-	-	-	(658)	-	-	(658)
Fair value gain on convertible loan	-	-	-	(510)	-	-	(510)
Fair value loss on derivative asset	-	-	-	234	-	-	234

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

1 January 2021 to 31 December 2021 S\$'000	<----Continuing Operation----->						Total
	AMS	DMS	DPAS	Investment	Discontinued Operation	Unallocated	
Segment revenue							
External	16,951	160,899	3,169	8,262	-	-	189,281
Inter-segment	-	-	-	-	-	-	-
	<u>16,951</u>	<u>160,899</u>	<u>3,169</u>	<u>8,262</u>	<u>-</u>	<u>-</u>	<u>189,281</u>
Segment result	106	(207)	233	3,718	-	(9)	3,841
Net foreign exchange gain							442
Gain on disposal of plant and equipment							37
Gain on lease modification							31
Profits before income tax & share of associate results							<u>4,351</u>
Share of profit of associate							5
Profits before income tax							<u>4,356</u>
Income tax expense							<u>(229)</u>
Net profit for the year							<u>4,127</u>
Segment assets	<u>8,889</u>	<u>53,106</u>	<u>11,177</u>	<u>150,799</u>	<u>343</u>	<u>-</u>	<u>224,314</u>
Segment liabilities	<u>(6,356)</u>	<u>(17,905)</u>	<u>(4,259)</u>	<u>(37,415)</u>	<u>-</u>	<u>(440)</u>	<u>(66,375)</u>
Other segment information							
Capital expenditure – property, plant and equipment	531	633	52	-	-	-	1,216
Capital expenditure - right-of-use assets	-	6,478	243	-	-	-	6,721
Reversal of loss allowance on investment in debt securities	-	-	-	(1,420)	-	-	(1,420)
Depreciation – property, plant and equipment	329	373	246	-	-	-	948
Depreciation – right-of-use assets	712	3,231	204	-	-	-	4,147
Allowance for impairment of plant and equipment	-	1	-	-	-	-	1
Allowance for impairment of right-of-use assets	-	231	-	-	-	-	231
Plant and equipment written off	-	4	32	-	-	-	36
(Reversal of allowance)/Allowance for inventories	(14)	39	9	-	-	-	34
Inventories written off	-	1,823	10	-	-	-	1,833
Loss allowance for trade receivables	-	215	53	1,073	-	-	1,341
Gain on disposal of debt securities	-	-	-	(21)	-	-	(21)
Interest income (recorded under revenue)	-	-	-	(3,209)	-	-	(3,209)
Interest income (recorded under other operating income)	-	(109)	(10)	-	-	-	(119)
Interest expenses	76	309	128	456	-	-	969
Fair value gain on debt securities	-	-	-	(658)	-	-	(658)
Fair value gain on convertible loan	-	-	-	(510)	-	-	(510)
Fair value loss on derivative asset	-	-	-	234	-	-	234

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

(b) Geographical information

	Revenue from external customers	
	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2021 \$'000
Continuing Operation		
Singapore	171,061	186,112
Malaysia	4,419	3,169
	175,480	189,281
Discontinued Operation		
Myanmar	-	-
	175,480	189,281
	175,480	189,281
	Non-current assets	
	31 December 2022 \$'000	31 December 2021 \$'000
Continuing Operation		
Singapore	163,425	111,696
Malaysia	8,132	8,225
	171,557	119,921
Discontinued Operation		
Myanmar	-	341
	171,557	120,262
	171,557	120,262

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

(c) Breakdown of Sales

	Financial year ended 31 December 2022 S\$'000	Financial year ended 31 December 2021 S\$'000	Inc/(Dec)
<u>Continuing operation</u>			
Sales reported for first half year	82,624	95,997	(14%)
Operating (loss) profit after tax before deducting non-controlling interests reported for first half year	(3,236)	2,236	N.M.
Sales reported for second half year	92,856	93,284	(0.5%)
Operating profit after tax before deducting non-controlling interests reported for second half year	12,420	1,839	575%
<u>Discontinued operation</u>			
Sales reported for first half year	-	-	N.M.
Operating (loss) profit after tax before deducting non-controlling interests reported for first half year	(1,959)	37	N.M.
Sales reported for second half year	-	-	N.M.
Operating profit after tax before deducting non-controlling interests reported for second half year	-	15	N.M.

5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:

	Group		Company	
	31 December 2022 S\$'000	31 December 2021 S\$'000	31 December 2022 S\$'000	31 December 2021 S\$'000
Financial assets				
Financial instruments, designated as at FVTOCI	158,695	100,724	158,695	100,724
Financial instruments designated as at FVTPL	4,834	3,934	4,834	3,934
Amortised cost (including cash and cash equivalents)	37,964	88,438	25,916	68,759
	<u>201,493</u>	<u>193,096</u>	<u>189,445</u>	<u>173,417</u>
Financial liabilities				
Amortised cost	73,841	54,314	63,766	42,239

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6 REVENUE, COST OF GOODS SOLD 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 and spare parts are as follows:

	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2021 S\$'000	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000
Revenue				
AMS	9,406	8,156	17,329	16,951
DMS	75,334	79,209	142,111	160,899
DPAS	2,376	1,859	4,419	3,169
Investment	5,740	4,060	11,621	8,262
	<u>92,856</u>	<u>93,284</u>	<u>175,480</u>	<u>189,281</u>
Cost of goods sold				
AMS	(7,155)	(6,029)	(12,978)	(12,595)
DMS	(70,175)	(72,641)	(132,126)	(149,426)
DPAS	(1,498)	(1,237)	(2,855)	(2,330)
Investment	-	-	-	-
	<u>(78,828)</u>	<u>(79,907)</u>	<u>(147,959)</u>	<u>(164,351)</u>
Gross profit				
AMS	2,251	2,127	4,351	4,356
DMS	5,159	6,568	9,985	11,473
DPAS	878	622	1,564	839
Investment	5,740	4,060	11,621	8,262
	<u>14,028</u>	<u>13,377</u>	<u>27,521</u>	<u>24,930</u>
GP%				
AMS	24%	26%	25%	26%
DMS	7%	8%	7%	7%
DPAS	37%	33%	35%	26%
Investment	100%	100%	100%	100%
	<u>15%</u>	<u>14%</u>	<u>16%</u>	<u>13%</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

7 OTHER OPERATING INCOME

	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2021 S\$'000	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000
<u>Interest income:</u>				
Fixed deposit	8	6	12	12
Lease interest income	32	107	81	107
Rental income	1,220	969	2,432	1,727
Reversal of liabilities written back	-	(3)	-	-
<u>Government grants:</u>				
Wage credit	-	-	34	27
Work life grant	-	-	25	-
Job support scheme	-	498	2	1,172
Job growth incentive	11	5	36	5
Small business recovery grant	-	-	40	-
Rental support scheme	-	414	-	414
Change in fair value of investment property	153	-	153	-
Insurance compensation	-	-	-	174
Gain on disposal of plant and equipment	15	1	30	37
Gain on disposal of right-of-use assets	12	-	15	-
Sponsorship income	-	9	-	9
Gain on lease modification	-	-	-	31
Foreign currency exchange gain/(loss)	(433)	425	377	390
Others	53	(5)	206	53
	<u>1,071</u>	<u>2,426</u>	<u>3,443</u>	<u>4,158</u>
<u>Gain arising from derecognition of financial assets:</u>				
Gain on disposal of investment in debt securities	493	-	501	21
	<u>493</u>	<u>-</u>	<u>501</u>	<u>21</u>
	<u>1,564</u>	<u>2,426</u>	<u>3,944</u>	<u>4,179</u>

Higher rental income in YTD-22 was due to the recovery of rental support from a principal for the leases of certain outlets and rental contribution from DPAS division with the premises fully leased to a third party since December 2021.

Insurance compensation in YTD-21 pertained to the claim in relation to damaged equipment and raw materials due to the flooding incident in April 2020 that affected DPAS division.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8 OTHER OPERATING EXPENSES

	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2021 S\$'000	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000
Rental expenses	17	(54)	18	142
Depreciation of property, plant and equipment	314	372	670	734
Depreciation of right-of-use assets	2,086	2,214	4,182	3,943
Plant and equipment written off	15	33	17	36
Allowance for inventories /(Reversal of allowance)	51	(207)	201	34
Inventories written off / (write back)	(1)	1,833	(1)	1,833
Trade receivables written off	4	-	4	-
	<u>2,486</u>	<u>4,191</u>	<u>5,091</u>	<u>6,722</u>
<u>Fair value movement on financial assets:</u>				
Fair value gain on unquoted equity investment	(109)	(658)	(109)	(658)
Fair value gain on convertible loan	(881)	(510)	(881)	(510)
Fair value loss on derivative asset	180	234	180	234
	<u>(810)</u>	<u>(934)</u>	<u>(810)</u>	<u>(934)</u>
<u>(Reversal of) Impairment loss on financial assets:</u>				
Allowance for impairment of right-of-use assets	471	231	471	231
Allowance for impairment on plant and equipment	16	1	16	1
Loss allowance for trade receivables	949	1,314	2,705	1,341
(Reversal of)/Allowance on investment in debt securities	(10,721)	(1,420)	(4,492)	(1,420)
	<u>(9,285)</u>	<u>126</u>	<u>(1,300)</u>	<u>153</u>
	<u>(7,609)</u>	<u>3,383</u>	<u>2,981</u>	<u>5,941</u>

Allowance for impairment of right-of-use assets and plant and equipment in 2H-22 pertains to the impairment of leases and renovation respectively for the non-performing outlets of DMS business.

Loss allowance for trade receivables in 2H-22 was in relation to coupon interest accrued for certain distressed debt securities.

Loss allowance on investment in debt securities recognized in prior periods, in excess of the recovery value of certain distressed debt securities of \$10.7 million was reversed in 2H-22.

9 FINANCE COSTS

	6 months ended 31 December 2022 S\$'000	6 months ended 31 December 2021 S\$'000	12 months ended 31 December 2022 S\$'000	12 months ended 31 December 2021 S\$'000
Interest expense on bank loans	827	306	1,147	589
Interest expense on lease liabilities	106	198	255	366
Interest expense on lease liabilities from financial institutions	3	5	7	14
	<u>936</u>	<u>509</u>	<u>1,409</u>	<u>969</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

10 INCOME TAX (CREDIT)/EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax	142	89	257	93
Deferred tax	36	(6)	36	(6)
	<u>178</u>	<u>83</u>	<u>293</u>	<u>87</u>
(Over) Underprovision in respect of prior years:				
- current tax	(176)	-	(184)	-
- deferred tax	(29)	142	(29)	142
Tax (credit)/expense	<u>(27)</u>	<u>225</u>	<u>80</u>	<u>229</u>

11 INCOME STATEMENT FOR DISCONTINUED OPERATIONS

	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross Profit	-	-	-	-
Other income	-	15	(1)	52
Administrative expenses	-	-	-	-
Other operating expenses	-	-	(1,958)	-
Profit before income tax	-	15	(1,959)	52
Income tax expense	-	-	-	-
Profit for the year from discontinued operations	<u>-</u>	<u>15</u>	<u>(1,959)</u>	<u>52</u>
Profit attributable to:				
Owners of the Company	-	-	(1,959)	1
Non-controlling interests	-	15	-	51
	<u>-</u>	<u>15</u>	<u>(1,959)</u>	<u>52</u>

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.

The increase in other operating expenses is due to the loss on change in control of subsidiaries of \$1,958,000 which pertains to the deconsolidation of certain Myanmar business related dormant subsidiaries, Golden Myanmar Sea (S) Pte. Ltd., Golden Myanmar Sea Co., Ltd and MDR Golden Myanmar Sea Co., Ltd, in which the Group de-recognised the carrying amount of the non-controlling interest mainly in relation to the cumulative losses incurred from FY2013 to FY2017.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

12 EARNINGS PER SHARE

	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
	Cents	Cents	Cents	Cents
From continuing and discontinued operations:				
- Basic	1.421	0.21	0.829	0.463
- Fully diluted	1.421	0.21	0.829	0.463
From continuing operations:				
- Basic	1.421	0.21	1.052	0.463
- Fully diluted	1.421	0.21	1.052	0.463
From discontinued operations:				
- Basic	-	N.M.	(0.224)	N.M.
- Fully diluted	-	N.M.	(0.224)	N.M.

Basic earnings per ordinary share is computed based on the weighted average number of shares in issue of 875,684,331 during the period (31 December 2021: 881,673,776).

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 875,684,331 (31 December 2021: 881,673,776).

13 NET ASSET VALUE

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Cents	Cents	Cents	Cents
Net Asset Value ("NAV") per share	17.27	18.20	14.88	15.48

The NAV per share as at 31 December 2022 is calculated based on 875,562,570 (excluding 31,514,983 ordinary shares held as treasury shares) (31 December 2021: 875,752,570 ordinary shares, excluding 31,324,983 ordinary shares held as treasury shares).

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14 DIVIDENDS

	Group and Company	
	FY 2022	FY 2021
	S\$'000	S\$'000
Ordinary dividends declared and paid:		
One-tier exempt final dividend of a total of S\$0.004567 per share paid on 16 August 2022 in respect of the financial year ended 31 December 2021	3,998	-

15 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions were entered into by the Group with related parties at terms agreed between the parties during the financial year. The balances with related parties are unsecured, interest-free and repayable on demand unless otherwise stated.

During the period, the Group entered into the following related party transactions:

	Group			
	6 months ended 31 December 2022	6 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2021
<u>Nature of transactions</u>	S\$'000	S\$'000	S\$'000	S\$'000
<i>Transactions with companies owned by common Directors:</i>				
Rental payments	171	171	342	342
<i>Transactions with related parties (Directors of wholly owned subsidiaries):</i>				
Sales of goods	-	(48)	-	(48)
Rental income	-	(2)	-	(4)

Sales of goods to related parties were made at the Group's usual list price.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received, unless otherwise stated in the respective notes to the financial statements.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

16 TRADE RECEIVABLES

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Third parties	8,338	6,794	1,342	1,235
Accrued income	4,501	4,806	226	73
Accrued interest receivables from debt securities	4,712	2,304	4,712	2,304
Loan receivables from third parties	2,947	28,011	2,947	28,011
Others	-	533	-	-
Related parties	156	166	-	-
	20,654	42,614	9,227	31,623
Less: Loss allowance for trade receivables	(4,631)	(2,318)	(3,912)	(1,623)
	16,023	40,296	5,315	30,000

The average credit period on sales is 30 days (2021: 30 days). No interest is charged on outstanding trade receivables.

Loss allowance for trade receivables of \$949,000 (31 December 2021: \$1,314,000) has been determined for the six months ended 31 December 2022, mainly in relation to the interest receivables pertaining to investment in debt securities, arising from significant increase in credit risk of certain distressed bonds.

The decrease in loan receivables from third parties is mainly due to repayment of loan by a third-party company.

In assessing the recoverability of the loans, management had determined that no impairment is required based on the net realisable value of the collaterals.

17 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Deposits	1,236	1,432	163	163
Prepayments	235	315	71	103
Third parties	2,009	3,801	33	50
	3,480	5,548	267	316
Subsidiaries	-	-	15,544	19,671
	3,480	5,548	15,811	19,987
Less: Loss allowance for other receivables				
- subsidiaries	-	-	(3,165)	(3,145)
- others	(226)	(226)	-	-
	(226)	(226)	(3,165)	(3,145)
	3,254	5,322	12,646	16,842
Analysed as:				
Current	2,387	3,294	12,596	16,794
Non-current	867	2,028	50	48
	3,254	5,322	12,646	16,842

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

17 OTHER RECEIVABLES AND PREPAYMENTS (CON'D)

Receivables from third parties of \$2.0 million as at 31 December 2022 comprised mainly of lease receivables of \$1.0 million.

Other receivables and prepayments (non-current)

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

18 INVENTORIES

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Spare parts, handsets, Accessories and prepaid cards	17,507	13,381	748	770
Raw materials	635	555	-	-
	18,142	13,936	748	770

During the six months ended 31 December 2022, an allowance for inventory obsolescence of \$51,000 (31 December 2011: reversal of \$207,000) was made.

19 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2022, the Group acquired assets with an aggregate cost of \$345,000 (six months ended 31 December 2021: \$244,000) and disposed of assets with a net book value amounting to \$51,000 (six months ended 31 December 2021: \$37,000).

As at 31 December 2022, the carrying amount of the Group's property, plant and equipment was inclusive of an allowance for impairment of renovation of \$63,000 (31 December 2021: \$78,000) for certain non-performing outlets of DMS business.

20 RIGHT-OF-USE ASSETS

As at 31 December 2022, the carrying amount of the Group's right-of-use assets relate to the leases of its office premises, retail outlets and service centres of \$4.5 million (31 December 2021: \$6.6 million), nett of allowance for impairment of \$786,000 (31 December 2021: \$528,000) for leases of certain non-performing outlets of DMS business.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

21 INVESTMENT IN EQUITY SECURITIES

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Investments in quoted equity instruments designated as at FVTOCI	99,153	77,152	99,153	77,152
Investments in unquoted equity instruments designated as at FVTPL	1,879	1,699	1,879	1,699
	101,032	78,851	101,032	78,851

The Group measures its quoted equity securities at fair value through other comprehensive income.

During the six months ended 31 December 2022, the Group has invested \$17.1 million (six months ended 31 December 2021: \$7.0 million) and disposed of certain quoted equity securities with a cumulative fair value of \$10.3 million (six months ended 31 December 2021: \$31.8 million). The cumulative gain on disposal of \$1.7 million (six months ended 31 December 2021: gain on disposal of \$3.6 million) was reclassified from Investment revaluation reserve to retained earnings.

For the year ended 31 December 2022, the Group has invested \$39.3 million (31 December 2021: \$18.5 million) and disposed of certain quoted equity securities with a fair value of \$12.3 million (31 December 2021: \$51.3 million) at the date of disposal. The cumulative gain on disposal of \$1.7 million (31 December 2021: gain on disposal of \$4.7 million) was reclassified from Investment revaluation reserve to retained earnings.

The fair values of these securities are based on the quoted bid prices in an active market on the last market day of the period. Accordingly, these securities are classified under Level 1 of the fair value hierarchy. A net fair value decrease of \$5.0 million (31 December 2021: net fair value increase of \$21.7 million) was recorded for the year ended 31 December 2022.

In April 2021 the Company subscribed for an unquoted equity security, and entered a put option arrangement to require the contracting party to purchase the unquoted equity security for a portion of the said shareholdings, to be exercised any time until 31 March 2022. The put option arrangement has been extended in September 2022 until initial public offering (IPO) approval of the shares of the unquoted equity security.

In October 2022, the Company subscribed for additional shares amounting to \$89,000 pursuant to a rights issue and was granted a put option to require the contracting party to purchase the unquoted equity at the same value, to be exercised any time until IPO approval.

As at 31 December 2022, the unquoted equity investment and put options were valued at \$1,879,000 and \$64,000 respectively, resulting in a fair value gain on unquoted equity of \$109,000 and a fair value loss on the derivatives of \$180,000.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

21 INVESTMENT IN EQUITY SECURITIES (CONT'D)

As at 31 December 2022, the Group invested in quoted investment securities of companies which are broadly categorised within the following business sectors:

Business Sectors	%
Real estate	38.7%
Financials	32.3%
Infrastructure	8.6%
Agriculture	8.1%
Leisure and hospitality	6.8%
Technology	3.0%
Communication Services	1.8%
Healthcare	0.5%
Education	0.2%
TOTAL	100.0%

Below is the key information of the investment securities as at 31 December 2022:

By Market Capitalisation	%
\$1 billion and above	88.5%
\$500 million to \$1 billion	5.8%
\$200 million to \$500 million	5.0%
\$200 million and below	0.7%
TOTAL	100.0%

By Exchange (based on market value)	%
SGX	58.2%
HKEX	40.8%
SIX	0.5%
ASX	0.5%
TOTAL	100.0%

By Currencies (based on market value)	%
SGD	49.0%
HKD	40.8%
USD	9.2%
CHF	0.5%
AUD	0.5%
TOTAL	100.0%

Weighted portfolio Information (based on simple weighted average calculation)

Market Capitalisation	\$28.21 billion
Dividend Yield	6.35%
5-year Beta	0.826
P/B	0.55x
EV/EBITDA	8.99x
Debt/EBITDA	4.21x

(Data derived from SGX "Stock Screener" or Yahoo Finance as at 31 December 2022)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

22 INVESTMENT IN DEBT SECURITIES

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Quoted debt securities, at amortised cost	16,610	26,600	16,610	26,600
Quoted debts securities, fair value through other comprehensive income	59,542	23,572	59,542	23,572
Less: Loss allowance on investment in debt securities	(10,456)	(8,471)	(10,456)	(8,471)
	<u>65,696</u>	<u>41,701</u>	<u>65,696</u>	<u>41,701</u>
Analysed as:				
Current	13,027	21,334	13,027	21,334
Non-current	52,669	20,367	52,669	20,367
	<u>65,696</u>	<u>41,701</u>	<u>65,696</u>	<u>41,701</u>

The Group measures its quoted debt securities at amortised cost and fair value through other comprehensive income.

During the six months ended 31 December 2022, the Group has invested \$22.3 million (six months ended 31 December 2021: \$26.7 million), redeemed \$12.0 million (six months ended 31 December 2021: \$2.0 million) in debt securities. For the year ended 31 December 2022, the Group has invested \$37.4 million (31 December 2021: \$26.7 million) mainly in Chinese property bonds at a low entry value, and redeemed and disposed \$12.0 million (31 December 2021: \$4.8 million) and \$Nil (31 December 2021: \$1.3 million) respectively in debt securities.

For investment in debt securities designated as amortised cost of \$16.6 million (Tsinghua Bond), partial redemption was made by the bond issuer in FY2022. A loss allowance of \$2.1 million was recorded for the year ended 31 December 2022, based on the difference between expected recovery and carrying value of the debt securities.

For investment in debt securities designated as fair value through other comprehensive income, the net reversal of loss allowance of \$6.6 million was recorded for the year ended 31 December 2022 as the recovery value of certain debt securities has increased.

As at 31 December 2022, 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	99.5%
Education	0.5%
TOTAL	100.0%

Below is the key information of the bonds as at 31 December 2022:

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

By Currencies (based on purchase consideration)	%
USD	92.0%
SGD	8.0%
TOTAL	100.0%

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

22 INVESTMENT IN DEBT SECURITIES (CONT'D)

By Credit Rating (based on purchase consideration)	%
Ba3	1.7%
B3	8.2%
Caa2	3.5%
Caa3	0.6%
Non-rated	86.0%
TOTAL	100.0%

(Data extracted from Moody's Credit Ratings, where applicable)

Weighted portfolio Information (based on simple weighted average calculation)

Yield to Maturity	19.23%
Duration	0.4 years

23 INVESTMENT PROPERTY

	Group	
	31 December 2022	31 December 2021
	S\$'000	S\$'000
Leasehold land and building		
At beginning of year	8,099	-
Currency realignment	(489)	-
Fair value gain recognised in profit or loss	153	-
Reclassification from right-of-use assets due to change in use	-	8,099
At end of period/ year	<u>7,763</u>	<u>8,099</u>

There was a change in use of leasehold land and building from owner-occupied to investment property with effect from 1 December 2021. Accordingly, the leasehold land and building were reclassified from right-of-use assets to investment property carried at fair value.

Fair value measurement of the Group's investment property

The Group's investment property is stated at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated impairment losses. Subsequent gain or loss arising from changes in the fair value of investment property are included in the profit or loss for the period in which it arises.

The fair value measurement of the Group's investment property was performed as at 31 December 2022 by independent qualified valuer, Jones Lang Wootton. The fair value of the Group's investment property is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value hierarchy. Level 3 fair value has been derived using the comparison method and depreciable replacement cost method.

24 CONVERTIBLE LOAN

The convertible loan pertains to a convertible loan extended to a third party company in 2020 with a maturity of 2 years from the date of disbursement that bore interest at 5.5% per annum. The loan is secured with the personal guarantee from the controlling shareholder of the borrower and a corporate guarantee from another company controlled by the same shareholder. The convertible loan was extended for a further one year in January 2023. The Group measures the convertible loan at fair value through profit or loss. As at 31 December 2022, the convertible loan of \$2.0million was valued at \$2.9 million, resulted in a fair value gain of \$0.9 million.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

25 BANK OVERDRAFTS AND LOANS

	Group		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Secured - at amortised costs</u>				
Bank overdrafts	28,145	23,606	28,145	23,606
Bank loans	29,121	11,892	26,295	8,575
	57,266	35,498	54,440	32,181
<u>Unsecured - at amortised costs</u>				
Bank loans	3,596	4,801	3,596	4,801
	3,596	4,801	3,596	4,801
Total	60,862	40,299	58,036	36,982
Analysed as:				
Current	58,504	36,704	55,678	33,387
Non-current	2,358	3,595	2,358	3,595
	60,862	40,299	58,036	36,982

Bank overdrafts and loans comprised mainly of bank loans of \$2.8 million secured for the financing of property in Malaysia for DPAS operations, bank overdrafts and term loans of \$28.1 million and \$26.3 million respectively for the investment in equity and debt securities and term loans of \$3.6 million for working capital.

The secured borrowings comprise bank loan of \$2.8 million secured against an open legal mortgage over a commercial property in Malaysia, bank overdrafts and term loans of \$54.4 million secured against the investments in quoted equity and debt securities.

Management has assessed and confirmed that there is no breach of any bank covenants as at 31 December 2022.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

26 SHARE CAPITAL

	<u>Group and Company</u>			
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Number of ordinary shares		S\$'000	S\$'000
Issued and paid up:				
At beginning of year	907,077,553	907,077,553	123,276	154,455
Capital reduction	-	-	-	(31,179)
At end of period/ year	907,077,553	907,077,553	123,276	123,276

27 TREASURY SHARES

	<u>Group and Company</u>			
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Number of ordinary shares		S\$'000	S\$'000
At beginning of year	31,324,983	19,689,283	2,823	1,908
Repurchased during the year	190,000	11,635,700	13	915
At end of year	31,514,983	31,324,983	2,836	2,823

28 SUBSEQUENT EVENTS

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION

- 1(i) **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

Under the Share Buy Back Mandate (first approved by the Shareholders on 28 September 2018 and last renewed at the Annual General Meeting on 27 July 2022), the Company bought back 110,000 ordinary shares during 2H-22. The amount paid, including brokerage fees, totaled \$7,271 and was deducted against shareholders' equity.

Share Capital and Treasury Shares

There were no movements in the Company's issued share capital for the period ended 31 December 2022. The total number of ordinary shares in issue was 907,077,553 of which 31,514,983 was held by the Company as treasury shares as at 31 December 2022. The treasury shares held represents 3.60% of the total number of issued shares (excluding treasury shares). The share capital was \$123,276,197 as at 31 December 2022.

There were no movements in the Company's issued share capital for the period ended 31 December 2021. The total number of ordinary shares in issue was 907,077,553 of which 31,324,983 was held by the Company as treasury shares as at 31 December 2021. The treasury shares held represents 3.58% of the total number of issued shares (excluding treasury shares). With the completion of the capital reduction on 10 December 2021, the issued and fully paid-up share capital of the Company reduced from \$154,454,814 to \$123,276,197.

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.

As at 31 December 2022 and 31 December 2021, all the unexercised warrants had expired. Tranche 1 warrants expired on 17 December 2018, Tranche 2 warrants expired on 17 December 2019 and Tranche 3 warrants expired on 17 June 2021.

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 2022, no share award had been granted.

F. OTHER INFORMATION (CONT'D)

- 1(ii) **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-22	31-Dec-21
Total number of issued shares	907,077,553	907,077,553
Less: Treasury shares	<u>(31,514,983)</u>	<u>(31,324,983)</u>
Total number of issued shares excluding treasury	<u>875,562,570</u>	<u>875,752,570</u>

- 1(iii) **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(iv) **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 auditing standard or practice.**

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 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

F. OTHER INFORMATION (CONT'D)

4. **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 revenue remained stable at \$92.9 million in 2H-22 as compared with \$93.3 million in 2H-21. For YTD-22, the Group's revenue reduced by 7% from \$189.3 million in YTD-21 to \$175.5 million, resulted from slower market demand for DMS business but was mitigated by the increase in revenue from AMS, DPAS and Investment business segments. Overall, the Group's gross margin increased by 1% from 14% in 2H-21 to 15% in 2H-22 and increased by 3% from 13% in YTD-21 to 16% in YTD-22.

Revenue from DMS business decreased by 5% in 2H-22 from \$79.2 million in 2H-21 to \$75.3 million and revenue decreased by 12% in YTD-22, mainly due to reduced sales activities for both prepaid card and retail operations, affected by slower demand and the change in consumer preference for SIM only plans. Gross margin for DMS business decreased by 1% in 2H-22 from 8% to 7% as compared to the previous corresponding period. Year-on-year, its gross margin remained consistent at 7%.

Revenue from AMS business increased by 15% from \$8.2 million in 2H-21 to \$9.4 million in 2H-22, mainly due to an increase in spare parts revenue. Despite a decrease in repair volume year-on-year, revenue increased by 2% from \$17.0 million in YTD-21 to \$17.3 million in YTD-22, mainly due to higher spare parts revenue. Gross margin decreased by 2% from 26% in 2H-21 to 24% in 2H-22 and a 1% decrease in YTD-22 at 25%, mainly resulted from a change in repair mix.

Revenue from Investment segment increased by 41% from \$4.1 million in 2H-21 to \$5.7 million in 2H-22, mainly due to the increase in coupon interest income from investment in debt securities by \$2.4 million, partially offset by the decrease in interest income from loan to third parties by \$0.5 million and dividend income from investment in equity securities by \$0.3 million. Year on year, revenue from investment segment increased by 41%, from \$8.3 million in YTD-21 to \$11.6 million in YTD-22, contributed mainly from the increase in bond interest income by \$4.3 million, partially offset by the decrease in interest income from loan to third parties by \$0.6 million.

Revenue from DPAS business increased by 28% from \$1.9 million in 2H-21 to \$2.4 million in 2H-22 and 39% from \$3.2 million in YTD-21 to \$4.4 million in YTD-22, mainly due to the recovery of domestic demand in Malaysia. Gross margin increased from 33% in 2H-21 to 37% in 2H-22 and from 26% in YTD-21 to 35% in YTD-22, mainly due to reduced direct costs as certain machineries were fully depreciated in 2022.

Other operating income decreased by \$0.9 million in 2H-22, mainly due to negative foreign exchange movement of \$0.9 million and the decrease in support measures from the Singapore government by \$0.9 million in 2H-22. This was partially mitigated by the gain in disposal of debt securities of \$0.5 million, fair value gain on investment property of \$0.2 million and the increase in rental income by \$0.3 million as the property in Malaysia was leased to a third party since December 2021. Year-on-year, other operating income decreased by \$0.2 million in YTD-22, mainly due to lower government supports by \$1.5 million but was mitigated by the increase in rental income by \$0.7 million, the disposal gains on debt securities of \$0.5 million and fair value gain on investment property of \$0.2 million.

Administrative costs remained relatively consistent compared to the previous corresponding period.

Other operating expenses decreased by 41% (\$1.7 million) in 2H-22 and 24% (\$1.6 million) in YTD-22, mainly due to the stock loss of \$1.8 million recorded in 2021, resulted from the alleged misappropriation of assets by 2 former senior executives.

Impairment loss on financial assets decreased by \$9.4 million and \$1.5 million in 2H-22 and YTD-22 respectively, mainly resulted from the reversal of loss allowance on investment in debt securities of \$10.7 million recorded in 2H-22 and \$4.5 million in YTD-22, due to decrease in credit risk for certain distressed debt securities. Year on year, higher loss allowance for trade receivables by \$1.4 million was recorded in YTD-22, in relation to coupon interest accrued for certain distressed debt securities.

F. OTHER INFORMATION (CONT'D)

Finance costs increased by \$0.4 million in both 2H-22 and YTD-22, mainly due to utilization of more banking facilities for investment in quoted securities and higher interest rates imposed by the banks.

Discontinued operations recorded the loss of \$2.0 million in YTD-22, mainly due to the adjustment on change in control of subsidiaries which pertains to the deconsolidation of certain Myanmar business related dormant subsidiaries, in which the Group de-recognized the carrying amount of the non-controlling interest.

The Group reported net profit of \$12.4 million in 2H-22 compared to net profit of \$1.9 million in 2H-21, mainly due to the reversal of loss allowance on investment in debt securities of \$10.7 million. Year-on-year, net profits after tax increased by \$3.1 million, from \$4.1 million to \$7.2 million in YTD-22, mainly from the higher operating profits by \$3.6 million and the net impairment reversal of \$1.1 million in YTD-22 but was partially offset by the loss on change in control of subsidiaries of \$2.0 million.

Excluding the following adjustments, the Group registered net profits of \$2.3 million in 2H-22 from its continuing operations, which is 125% higher than \$1.0 million in 2H-21. Year on year, the Group's net profit stood at \$7.1 million which is 115% higher than \$3.3 million in YTD-21, from its continuing operations.

\$'000	2H-22	2H-21	Inc/(Dec) %	YTD-22	YTD-21	Inc/(Dec) %
Profit for the period from continuing operations	12,420	1,839	575%	9,184	4,075	125%
<u>Impairments during the year:</u>						
Allowance for impairment of non-current assets	487	232	109%	487	232	109%
Reversal of loss allowance on investment in debt securities	(10,721)	(1,420)	655%	(4,492)	(1,420)	216%
Loss allowance for trade receivables	949	1,314	(28%)	2,705	1,341	102%
Net fair value gain on unquoted equity securities, convertible loan and derivative assets	(810)	(934)	(13%)	(810)	(934)	(13%)
Adjusted profit for the period from continuing operations	<u>2,325</u>	<u>1,031</u>	125%	<u>7,074</u>	<u>3,294</u>	115%

F. OTHER INFORMATION (CONT'D)

Balance Sheet Analysis

Current assets

Total current assets decreased by \$41.5 million from \$104.1 million as at 31 December 2021 to \$62.6 million as at 31 December 2022, mainly due to the repayment of loan of \$24.0 million extended to a third-party company, in which the proceeds had been partially utilized to repay bank loans and balance had been re-invested into quoted securities under non-current assets; decrease in cash and bank balances by \$12.2 million and investment in debt securities reduced by \$8.3 million. It was partially offset by the increase in inventories by \$4.2 million.

Non-current assets

Total non-current assets increased by \$51.3 million from \$120.3 million as at 31 December 2021 to \$171.6 million as at 31 December 2022.

Investment in equity securities increased by \$22.2 million, mainly arose from the addition of equity securities by \$39.3 million, offset with the fair value loss of \$4.0 million, the exchange rate loss of \$1.0 million and the disposal of equity securities of \$12.3 million as at 31 December 2022.

Investment in debt securities increased by \$32.3 million, mainly due to the addition of debt securities of \$37.4 million, fair value movement of the debt securities and the reclassification from non-current assets to current assets based on the tenure of the debt securities. Meanwhile, redemption of debt securities of \$12.0 million was made during FY2022.

Right-of-use assets and other receivables decreased by \$2.1 million and \$1.2 million respectively in FY2022.

Current liabilities

Total current liabilities increased by \$19.2 million from \$58.3 million as at 31 December 2021 to \$77.5 million as at 31 December 2022, mainly due to increase in bank overdrafts and loans by \$21.8 million. It was partially mitigated by the decrease in lease liabilities by \$0.8 million and trade payable by \$2.1 million.

Non-current liabilities

Total non-current liabilities decreased by \$3.1 million from \$8.0 million as at 31 December 2021 to \$4.9 million as at 31 December 2022, mainly due to decrease in lease liabilities arose from the repayments made and long term bank loan by \$1.1 million and \$1.2 million respectively.

Negative working capital

Notwithstanding that the Group and Company are in net current liabilities position of \$14.9 million and \$28.6 million respectively as at 31 December 2022, mainly due to the repayment of loan extend to a third party of \$24.0 million (under current asset) and the proceeds were partially re-invested into quoted equity/debt securities that were classified under non-current assets due to the Company's intention to hold these investments on a long term basis and coupled with higher loan facilities (under current liabilities) utilized to invest in quoted equity/debt securities, the Board is of the view that the Group and the Company are able to meet their financial obligations as the quoted equity securities of \$99.2 million classified under non-current assets are assets with high liquidity.

Cash Flows

The Group registered cash and cash equivalents of \$12.8 million as at 31 December 2022, representing an outflow of \$12.2 million since 31 December 2021.

Cashflow from operating activities

Net cash inflow of \$4.9 million in YTD-22 arose mainly from positive operating cash flows before movements in working capital of \$6.0 million, interest income received from loans to third parties and debt securities of \$2.4 million and \$2.2 million respectively, partially offset by outflow from the changes in working capital of \$5.4 million, arose from higher inventories and trade payables.

Cashflow from investing activities

Net cash outflow of \$28.8 million in YTD-22 was mainly due to purchase of quoted equity securities of \$39.3 million and quoted debt securities of \$37.4 million. This was partially mitigated by the proceeds from disposal of quoted equity securities of \$12.3 million, redemption of debt securities of \$12.0 million and repayment of loan from a third party of \$24.0 million.

F. OTHER INFORMATION (CONT'D)

Cash Flows (Cont'd)

Cashflow from financing activities

Net cash inflow of \$11.7 million in YTD-22 was attributable to net proceeds of bank borrowings of \$21.7 million, partially offset by the repayment of lease liabilities of \$4.6 million, interest payment of \$1.3 million and payment of dividend of \$4.0 million.

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

Not applicable.

6. 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 Singapore economy grew by 3.6% in 2022 and GDP growth forecast for 2023 is 0.5% to 2.5%. The Group maintains a cautious outlook for 2023 as inflationary pressure may weigh on consumers spending.

The investment division reallocated its portfolio mix with investments in certain distressed debt securities in the Chinese property high yield bond market. With a rebound in China's economy and policy support measures, restructurings and improvement in liquidity and financing issues may be expected for some of these bonds. Dividend income will continue to remain the main revenue source for the division.

AMS division is expected to remain stable with disciplined cost and inventory management, although the division may face margin pressure.

DMS division faces strong competition from online business platforms. Rising costs have further added pressure to the challenging operating environment. DMS is pivoting its focus to the MVNO business under the trade name "ZYM Mobile" which offers SIM plans and bundled products. ZYM Mobile's subscribers' base has expanded since the service was commercially launched in September 2021 and more efforts are being channeled to grow the business. DMS will also closely monitor the performance of its retail stores to maximize operational efficiency.

With Malaysia's economic growth projected between 4% and 5% in 2023, DPAS division is expected to remain stable, although the division may face reduced margins due to inflation.

The Group remains committed to exercise cost discipline and will continue to explore potential business opportunities to strengthen its revenue streams in the long term.

7. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes (Proposed, see note (c))

Name of Dividend	Final
Dividend Type	Cash
Dividend per share	\$0.0048540 per share
Dividend Amount	\$4.25 million (approximate)
Tax rate	Tax exempt (One-Tier tax)

F. OTHER INFORMATION (CONT'D)

7. Dividend (CONT'D)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend per share	\$0.004567 per share
Dividend Amount	\$4.0 million
Tax rate	Tax exempt (One-Tier tax)

(c) Date payable

Subject to shareholders' approval at the forthcoming Annual General Meeting of the Company ("2023 AGM"), the proposed final dividend will be paid on 28 June 2023.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed from 5:00 p.m. on 8 June 2023 up to (and including) 9 June 2023 for the purpose of determining shareholders' entitlement to the proposed final dividend (tax exempt one-tier) for the financial year ended 31 December 2022 (the "Proposed Dividend"), to be paid subject to shareholders' approval at the forthcoming Annual General Meeting of the Company ("2023 AGM").

Duly completed registrable transfers of shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 up to 5:00 p.m. on 8 June 2023 will be registered to determine shareholders' entitlement to the Proposed Dividend.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares as at 5:00 p.m. on 8 June 2023 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved by shareholders at the 2023 AGM, will be paid on 28 June 2023.

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

Not applicable

F. OTHER INFORMATION (CONT'D)

9. Interested Person Transactions

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions. During FY2022, the following interested person transactions were entered into by the Group:

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	342	-
Total	342	-

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

10. 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	58	Brother of Ong Ghim Choon (Group Executive Director and Chief Executive Officer)	Director (Logistics) of A-Mobile Pte Ltd since January 2006. Responsible for the overall oversight of After- Market Service division since January 2022	No change Ceased to manage the distribution of Singtel Prepaid cards business under SDS Pte Ltd since October 2022

F. OTHER INFORMATION (CONT'D)

11. 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
28 February 2023

F. OTHER INFORMATION (CONT'D)

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 these interim 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, 28 February 2023