



MDR Limited

mDR Limited

**Full Year and Fourth Quarter Financial Statements for the Period Ended 31 December 2011**

**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	4Q-11	4Q-10	Inc/(Dec) %	YTD-11	YTD-10	Inc/(Dec) %
<b>Continuing operations</b>							
<b>Revenue</b>	1	95,231	99,367	-4%	357,160	314,949	13%
Cost of sales	1	(86,634)	(90,673)	-4%	(323,952)	(283,866)	14%
<b>Gross profit</b>	1	8,597	8,694	-1%	33,208	31,083	7%
Other income	2	429	395	9%	1,914	891	115%
Administrative expenses	3	(4,664)	(5,465)	-15%	(18,353)	(18,964)	-3%
Other operating expenses	4	(2,223)	(1,887)	18%	(9,246)	(7,666)	21%
Changes in fair value of convertible loan notes designated as fair value through profit and loss		-	64	N.M.	589	234	152%
Finance cost	5	(9)	(185)	-95%	(404)	(762)	-47%
Total expenses		(6,896)	(7,473)	-8%	(27,414)	(27,158)	1%
<b>Profit before income tax</b>		2,130	1,616	32%	7,708	4,816	60%
Income tax credit (expenses)	6	529	(547)	-197%	(351)	(1,291)	-73%
<b>Profit for the period from continuing operations</b>		2,659	1,069	149%	7,357	3,525	109%
<b>Discontinued operations</b>							
Profit for the period from discontinued operations	7	187	2,766	-93%	276	2,717	-90%
<b>Profit for the period</b>		2,846	3,835	-26%	7,633	6,242	22%
<b>Other comprehensive income</b>							
Currency translation differences arising from consolidation		-	75	N.M.	71	199	-64%
Reclassification of currency translation reserves on disposals of subsidiaries		(8)	(1,445)	-99%	(8)	(3,036)	-100%
<b>Other comprehensive profit (loss) for the period, net of tax</b>		(8)	(1,370)	-99%	63	(2,837)	102%
<b>Total comprehensive income for the period</b>		<u>2,838</u>	<u>2,465</u>	15%	<u>7,696</u>	<u>3,405</u>	126%
<b>Profit attributable to:</b>							
Owners of the Company		2,762	3,363	-18%	6,994	4,963	41%
Non-controlling interests		84	472	-82%	639	1,279	-50%
<b>Total comprehensive income</b>		<u>2,846</u>	<u>3,835</u>	-26%	<u>7,633</u>	<u>6,242</u>	22%
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		2,754	1,993	38%	7,057	2,126	232%
Non-controlling interests		84	472	-82%	639	1,279	-50%
		<u>2,838</u>	<u>2,465</u>	15%	<u>7,696</u>	<u>3,405</u>	126%

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 two business segments – After Market Services (“AMS”) and Distribution Management Solutions (“DMS”). The breakdown of revenue and cost of goods sold and spare parts are as follows:

In S\$'000	4Q-11	4Q-10	YTD-11	YTD-10
<b>Revenue</b>				
AMS	6,025	4,239	20,022	17,945
DMS	89,206	95,128	337,138	297,004
	<u>95,231</u>	<u>99,367</u>	<u>357,160</u>	<u>314,949</u>
<b>Cost of goods sold and spare parts</b>				
AMS	(4,406)	(2,997)	(14,256)	(11,774)
DMS	(82,228)	(87,676)	(309,696)	(272,092)
	<u>(86,634)</u>	<u>(90,673)</u>	<u>(323,952)</u>	<u>(283,866)</u>
<b>Gross profit</b>				
AMS	1,619	1,242	5,766	6,171
DMS	6,978	7,452	27,442	24,912
	<u>8,597</u>	<u>8,694</u>	<u>33,208</u>	<u>31,083</u>
<b>GP%</b>				
AMS	27%	29%	29%	34%
DMS	8%	8%	8%	8%
	<u>9%</u>	<u>9%</u>	<u>9%</u>	<u>10%</u>

### Note 2 Other income consist of the following:

In S\$'000	4Q-11	4Q-10	YTD-11	YTD-10
Interest income	3	2	9	9
Rental income	393	177	1,536	617
Bad debts recovered - non-trade	-	152	7	152
Liabilities written back	33	49	354	57
Others	-	15	8	56
	<u>429</u>	<u>395</u>	<u>1,914</u>	<u>891</u>

### Note 3 Administrative expenses

The administrative expenses comprise mainly staff cost.

In S\$'000	4Q-11	4Q-10	YTD-11	YTD-10
<b>Staff Cost</b>				
AMS	1,411	1,308	5,296	5,721
DMS	2,447	2,238	9,500	8,159
	<u>3,858</u>	<u>3,546</u>	<u>14,796</u>	<u>13,880</u>

Included in staff cost is share option expense of \$27,000 and 95,000 in 4Q-11 and YTD-11 respectively (4Q-10: \$5,000 and YTD-10: \$14,000).

**Note 4** Other operating expenses consist of the following:

In S\$'000	4Q-11	4Q-10	YTD-11	YTD-10
Rental expenses	1,846	1,451	7,441	5,998
Depreciation expenses	277	219	1,017	794
Allowance of impairment for plant and equipment	-	-	-	62
Plant and equipment written off	36	10	67	13
Loss (Gain) on disposal of plant and equipment	9	(53)	13	8
Allowance (Reversal) for doubtful trade receivables	5	(32)	(13)	(32)
Allowance for doubtful other receivables	-	17	49	38
Bad debts written off - trade	3	7	4	7
Bad debts written off - non-trade	7	1	15	11
Allowance for inventories	38	192	566	830
Inventories written off	1	-	29	-
Foreign exchange loss (gain)	1	75	58	(63)
	<u>2,223</u>	<u>1,887</u>	<u>9,246</u>	<u>7,666</u>

**Note 5** Finance cost

Finance cost comprises mainly interest on finance leases and interest expense arising from loans and overdrafts drawn down for operating and investing activities.

**Note 6** Income tax expenses

The YTD tax expense provision is calculated for profitable subsidiaries after taking into account group relief in respect of prior years and other tax adjustments.

In Q4-11, the Group wrote back a tax provision of \$0.7 million mainly due to utilization of group relief in respect of prior years.

**Note 7** Income statement disclosures for discontinued operations

In S\$'000	4Q-11	4Q-10	YTD-11	YTD-10
<b>Revenue</b>	-	47	-	969
Cost of sales	-	(18)	-	(728)
<b>Gross profit</b>	-	29	-	241
Other operating income	-	161	-	327
Administrative expenses	-	10	(3)	(696)
Other operating expenses	(15)	(180)	107	(1,603)
Finance cost	-	-	-	(10)
<b>(Loss) Profit before income tax</b>	(15)	20	104	(1,741)
Income tax credit (expense)	14	(9)	-	(7)
<b>(Loss) Profit for the period</b>	(1)	11	104	(1,748)
Gain from disposal of discontinued operations	188	2,755	172	4,465
<b>Profit from discontinued operations</b>	<u>187</u>	<u>2,766</u>	<u>276</u>	<u>2,717</u>

## 2011

The Group deregistered Accord Customer Care Solutions International Limited, After Market Solutions (CE) Pte. Ltd., Playwork Solutions Pte. Ltd. and Tri-Max Pte. Ltd. in 1Q-11.

The Group deregistered Pacific Cellular International Limited, a majority-owned dormant subsidiary held through Distribution Management Solutions Pte. Ltd. in 4Q-11.

## 2010

The Group deregistered ACCS PRC Limited, a wholly-owned dormant subsidiary held through Accord Customer Care Solution (Asia) Limited in 1Q-10.

The Group commenced liquidation of its wholly-owned subsidiary mDR (New Zealand) Ltd in May 2010.

The Group disposed its wholly-owned subsidiaries Accord Customer Care Solution (Asia) Limited, Accord Customer Care Solutions (Suzhou) Co Ltd and Accord CCS (Thailand) Co. Ltd, and majority-owned subsidiary Pacific Cellular (Thailand) Limited to unrelated parties at S\$1 each in September 2010.

The Group disposed its wholly owned subsidiaries mDR Services (India) Private Limited and Accord Customer Care Solutions (India) Private Limited to unrelated parties at Indian Rp1 each in November 2010.

The Group deregistered its wholly-owned subsidiary PT Accord Express Customer Care Solutions and majority-owned subsidiary PT Accord Customer Care Solutions in December 2010.

The comparative statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

**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-11	31-Dec-10	31-Dec-11	31-Dec-10
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		12,778	12,025	1,923	2,975
Cash pledged		2,000	2,224	-	-
Trade receivables	1	23,913	23,260	2,619	820
Other receivables and prepayments	2	3,231	3,768	12,889	12,243
Inventories	3	15,553	13,124	696	375
<b>Total current assets</b>		<u>57,475</u>	<u>54,401</u>	<u>18,127</u>	<u>16,413</u>
<b>Non-current assets</b>					
Investment in subsidiaries		-	-	14,436	9,936
Plant and equipment		3,110	2,101	654	68
Other goodwill		2,350	2,350	-	-
<b>Total non-current assets</b>		<u>5,460</u>	<u>4,451</u>	<u>15,090</u>	<u>10,004</u>
<b>Total assets</b>		<u>62,935</u>	<u>58,852</u>	<u>33,217</u>	<u>26,417</u>
<b>Current liabilities</b>					
Bank overdrafts		-	8,678	-	2,037
Convertible notes / bonds	4	-	5,350	-	5,350
Fair value adjustment on convertibles	4	-	589	-	589
Trade payables	5	14,954	12,976	1,812	537
Other payables	6	11,720	10,948	2,656	5,092
Current portion of finance leases		81	-	64	-
Income tax payable		1,343	1,652	-	-
<b>Total current liabilities</b>		<u>28,098</u>	<u>40,193</u>	<u>4,532</u>	<u>13,605</u>
<b>Non-current liabilities</b>					
Finance leases		545	-	428	-
Deferred tax liabilities		154	274	-	-
<b>Total non-current liabilities</b>		<u>699</u>	<u>274</u>	<u>428</u>	<u>-</u>
<b>Equity</b>					
Share capital		122,117	109,456	122,117	109,456
Capital reserve		(859)	22	22	22
Share options reserve		1,590	1,528	1,590	1,528
Foreign currency translation reserve		200	137	-	-
Accumulated losses		(89,416)	(96,434)	(95,472)	(98,194)
<b>Equity attributable to owners of the Company</b>		<u>33,632</u>	<u>14,709</u>	<u>28,257</u>	<u>12,812</u>
Non-controlling interests		506	3,676	-	-
<b>Total equity and liabilities</b>		<u>62,935</u>	<u>58,852</u>	<u>33,217</u>	<u>26,417</u>

## **Notes**

### **1 Trade receivables**

The Group's trade receivables turnover as at 31 December 2011 is 24 days (31 December 2010: 29 days).

### **2 Other receivables and prepayments**

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

<b>S\$'000</b>	<b>31-Dec-11</b>	<b>31-Dec-10</b>
Rental deposits	1,843	1,595
Other receivables	1,017	1,987
Prepayments	256	123

### **3 Inventories**

The Group's inventory turnover for the year ended 31 December 2011 is 16 days (31 December 2010: 15 days).

Group inventories as at 31 December 2011 is \$15.6 million (31 December 2010: \$13.1 million).

### **4 Convertible notes**

On 30 January 2008, the Company received approval from shareholders for the issue of 1.5% equity linked redeemable non-recallable structured convertible notes that are due in 2011 amounting to \$32,000,000.

On 17 February 2011, the convertible notes expired. The Company has issued a total of \$12,000,000 (31 December 2010: \$12,000,000) of the convertible notes which had been fully converted into equity shares of the Company (31 December 2010: \$11,950,000).

#### **Convertible bonds**

On 25 February 2008, the Group entered into a three-year debt restructuring agreement with three lenders for a conversion debt of \$12,000,000. Under the agreement, the conversion debt of \$12,000,000 shall be repaid and discharged by way of conversion into 3.75% Class A convertible bonds due in 2010.

On 31 March 2011, the Company fully repaid the outstanding convertible bonds.

In conjunction with the above events, the carrying amounts of the fair value adjustment of these convertible notes / bonds were derecognised and credited to the statement of comprehensive income in 1Q-11.

## 5 Trade payables

The Group's trade payables turnover as at 31 December 2011 is 16 days (31 December 2010: 18 days).

## 6 Other payables

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

<b>S\$'000</b>	<b>31-Dec-11</b>	<b>31-Dec-10</b>
Advertising, promotion and sell through funds from principals	3,157	2,772
Other payables to third parties	1,396	1,313
Accrued staff costs	1,662	1,472
Rebates owing to franchisees	2,347	1,961
Accrued purchases	232	520
Other accrued operating expenses	670	501

### 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-11		As at 31-Dec-10	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
81	-	-	14,028

#### Note :

The unsecured borrowings of \$14.0 million as at 31 December 2010 comprises of convertible notes / bonds and bank overdrafts. The Group had fully repaid its convertible notes / bonds and outstanding overdrafts in 1Q-11 and 3Q-11 respectively.

#### Amount repayable after one year

As at 31-Dec-11		As at 31-Dec-10	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
545	-	-	-

#### Details of collateral

The borrowings as at 31 December 2011 are secured on certain motor vehicles held under finance leases.

**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**

<b>In S\$'000</b>	<b>4Q-11</b>	<b>4Q-10</b>	<b>YTD-11</b>	<b>YTD-10</b>
<b>Operating activities</b>				
Profit before income tax from continuing operations	2,130	1,616	7,708	4,816
Profit before income tax from discontinued operations	173	2,775	276	2,724
	<u>2,303</u>	<u>4,391</u>	<u>7,984</u>	<u>7,540</u>
Adjustments for:				
Depreciation expense	277	220	1,017	819
Interest expense	9	185	404	772
Interest income	(4)	(2)	(9)	(10)
Loss (Gain) on disposal of plant and equipment	8	(53)	13	14
Plant and equipment written off	37	10	67	114
Allowance (Reversal) for impairment of plant and equipment	-	3	(34)	62
Allowance for inventories	38	170	566	1,022
Inventories written off	1	-	29	-
Bad debts written off - trade	3	7	4	7
Bad debts written off - non-trade	7	1	15	12
Allowance (Reversal) for doubtful trade receivables	9	53	(85)	183
Allowance for doubtful other receivables	7	150	32	476
Employee share-based payments	27	5	95	14
Professional fees settled by shares	-	-	510	-
Gain arising from de-consolidation of disposed subsidiaries	(188)	(2,755)	(172)	(4,465)
Changes in fair value of convertible loan notes designated as fair value through profit or loss	-	(64)	(589)	(234)
Liabilities written back	(33)	(227)	(354)	(336)
Net foreign exchange loss	2	122	73	197
<b>Operating cash flows before movements in working capital</b>	<u>2,503</u>	<u>2,216</u>	<u>9,566</u>	<u>6,187</u>
Trade receivables	(4,164)	1,992	(567)	3,781
Other receivables and prepayments	619	274	448	7
Inventories	(3,345)	(4,743)	(3,024)	(3,202)
Trade payables	1,532	(255)	2,147	(2,296)
Other payables	432	(1,613)	982	(234)
<b>Cash (used in) generated from operations</b>	<u>(2,423)</u>	<u>(2,129)</u>	<u>9,552</u>	<u>4,243</u>
Interest received	4	2	9	10
Income tax paid	68	(487)	(755)	(1,020)
<b>Net cash (used in) from operating activities</b>	<u>(2,351)</u>	<u>(2,614)</u>	<u>8,806</u>	<u>3,233</u>
<b>Investing activities</b>				
Disposal of subsidiaries (Note A)	(3)	(14)	(3)	(136)
Proceeds from disposal of plant and equipment	62	78	63	140
Purchase part of non-controlling interest in a subsidiary	(350)	-	(350)	0
Purchase of plant and equipment	(577)	(890)	(1,478)	(1,239)
<b>Net cash used in investing activities</b>	<u>(868)</u>	<u>(826)</u>	<u>(1,768)</u>	<u>(1,235)</u>
<b>Financing activities</b>				
Interest paid	(9)	(185)	(404)	(772)
Proceeds from issuance of ordinary shares, net	(41)	-	7,942	-
Proceeds from issuance of convertible notes, net	-	2,500	-	4,500
Repayment of convertible bonds	-	(670)	(5,300)	(2,200)
Repayments of obligations under finance leases	(19)	-	(32)	-
Dividends paid to non-controlling interest	(37)	-	(37)	-
Cash pledged	-	-	224	(509)
<b>Net cash (used in) from financing activities</b>	<u>(106)</u>	<u>1,645</u>	<u>2,393</u>	<u>1,019</u>
Net (decrease) increase in cash and cash equivalents	(3,325)	(1,795)	9,431	3,017
Cash and cash equivalents at beginning of period	16,103	5,142	3,347	330
<b>Cash and cash equivalents at end of period</b>	<u>12,778</u>	<u>3,347</u>	<u>12,778</u>	<u>3,347</u>

## Notes

### A. Disposal of subsidiaries

The Group deregistered Accord Customer Care Solutions International Limited, After Market Solutions (CE) Pte. Ltd., Playwork Solutions Pte. Ltd. and Tri-Max Pte. Ltd. in 1Q-11.

The Group deregistered Pacific Cellular International Limited, a majority-owned dormant subsidiary held through Distribution Management Solutions Pte. Ltd. in 4Q-11.

The carrying value of assets disposed and liabilities discharged were as follows:

In S\$'000	4Q-11	4Q-10	YTD-11	YTD-10
Assets	-	14	15	544
Liabilities	(27)	(1,217)	(26)	(1,834)
Net assets (liabilities) derecognised	(27)	(1,203)	(11)	(1,290)
Non-controlling interests derecognised	(153)	(107)	(153)	(139)
Reclassification of currency translation reserve	(8)	(1,445)	(8)	(3,036)
Gain on disposal	(188)	(2,755)	(172)	(4,465)
Proceeds received	-	-	-	-
Cash balance in subsidiaries disposed off	(3)	(14)	(3)	(136)
Cash outflows on disposal	(3)	(14)	(3)	(136)

### B. Cash and cash equivalents at end of year comprise of:

In S\$'000	31-Dec-11	31-Dec-10
Cash	14,778	14,249
Bank overdrafts	-	(8,678)
Less: Cash pledged	(2,000)	(2,224)
Cash and cash equivalents	12,778	3,347

### C. Purchase of plant and equipment

During the financial year, the Group acquired plant and equipment with an aggregate cost of \$1,478,000 (2010: \$1,239,000) of which \$658,000 (2010: \$Nil) 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>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Share options reserve</u>	<u>Currency translation reserve</u>	<u>Accumulated losses</u>	<u>Attributable to equity holders</u>	<u>Non-controlling interests</u>	<u>Total</u>
<b>Group</b>								
<b>Balance as at 1 January 2011</b>	109,456	22	1,528	137	(96,434)	14,709	3,676	18,385
Total comprehensive income for the period	-	-	-	37	1,187	1,224	309	1,533
Issue of shares upon conversion of convertible notes	50	-	-	-	-	50	-	50
Recognition of share-based payments	-	-	12	-	-	12	-	12
<b>Balance as at 31 March 2011</b>	<u>109,506</u>	<u>22</u>	<u>1,540</u>	<u>174</u>	<u>(95,247)</u>	<u>15,995</u>	<u>3,985</u>	<u>19,980</u>
Total comprehensive income for the period	-	-	-	17	1,425	1,442	187	1,629
Issue of shares upon share options exercised	29	-	(9)	-	-	20	-	20
Issue of shares for settlement of advisory fees	510	-	-	-	-	510	-	510
Effect of acquiring part of non-controlling interest in a subsidiary	4,150	(911)	-	-	-	3,239	(3,239)	-
Reversal of expenses related to equity-settled share-based payment	-	-	(24)	-	24	-	-	-
Recognition of share-based payments	-	-	29	-	-	29	-	29
<b>Balance as at 30 June 2011</b>	<u>114,195</u>	<u>(889)</u>	<u>1,536</u>	<u>191</u>	<u>(93,798)</u>	<u>21,235</u>	<u>933</u>	<u>22,168</u>
Total comprehensive income for the period	-	-	-	17	1,620	1,637	59	1,696
Issue of placement shares	488	-	-	-	-	488	-	488
Expenses in relation to issuance of placement shares	(13)	-	-	-	-	(13)	-	(13)
Issue of shares pursuant to rights cum warrants issue	7,898	-	-	-	-	7,898	-	7,898
Expenses in relation to issuance of right shares	(410)	-	-	-	-	(410)	-	(410)
Recognition of share-based payments	-	-	27	-	-	27	-	27
<b>Balance as at 30 September 2011</b>	<u>122,158</u>	<u>(889)</u>	<u>1,563</u>	<u>208</u>	<u>(92,178)</u>	<u>30,862</u>	<u>992</u>	<u>31,854</u>
Total comprehensive income / (expense) for the period	-	-	-	(8)	2,762	2,754	84	2,838
Effect of acquiring part of non-controlling interest in a subsidiary	-	30	-	-	-	30	(533)	(503)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(37)	(37)
Expenses in relation to issuance of right shares	(41)	-	-	-	-	(41)	-	(41)
Recognition of share-based payments	-	-	27	-	-	27	-	27
<b>Balance as at 31 December 2011</b>	<u><u>122,117</u></u>	<u><u>(859)</u></u>	<u><u>1,590</u></u>	<u><u>200</u></u>	<u><u>(89,416)</u></u>	<u><u>33,632</u></u>	<u><u>506</u></u>	<u><u>34,138</u></u>

<u>In S\$'000</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Share options reserve</u>	<u>Currency translation reserve</u>	<u>Accumulated losses</u>	<u>Attributable to equity holders</u>	<u>Non-controlling interests</u>	<u>Total</u>
<b>Group</b>								
<b>Balance as at 1 January 2010</b>	104,466	22	1,836	2,974	(101,719)	7,579	2,536	10,115
Total comprehensive income / (expense) for the period	-	-	-	(492)	300	(192)	175	(17)
Issue of shares upon conversion of convertible notes	1,000	-	-	-	-	1,000	-	1,000
<b>Balance as at 31 March 2010</b>	105,466	22	1,836	2,482	(101,419)	8,387	2,711	11,098
Total comprehensive income / (expense) for the period	-	-	-	(49)	535	486	225	711
Issue of shares upon conversion of convertible notes	1,500	-	-	-	-	1,500	-	1,500
Reversal of expenses related to equity-settled share-based payment	-	-	(89)	-	89	-	-	-
Recognition of share-based payments	-	-	4	-	-	4	-	4
<b>Balance as at 30 June 2010</b>	106,966	22	1,751	2,433	(100,795)	10,377	2,936	13,313
Total comprehensive income / (expense) for the period	-	-	-	(926)	765	(161)	408	247
Recognition of share-based payments	-	-	5	-	-	5	-	5
<b>Balance as at 30 September 2010</b>	106,966	22	1,756	1,507	(100,030)	10,221	3,344	13,565
Total comprehensive income / (expense) for the period	-	-	-	(1,370)	3,363	1,993	472	2,465
Convertible note – Fair value loss	(10)	-	-	-	-	(10)	-	(10)
Issue of shares upon conversion of convertible notes	2,500	-	-	-	-	2,500	-	2,500
Reversal of expenses related to equity-settled share-based payment	-	-	(233)	-	233	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	(140)	(140)
Recognition of share-based payments	-	-	5	-	-	5	-	5
<b>Balance as at 31 December 2010</b>	<u>109,456</u>	<u>22</u>	<u>1,528</u>	<u>137</u>	<u>(96,434)</u>	<u>14,709</u>	<u>3,676</u>	<u>18,385</u>

<b>In S\$'000</b>	<b>Share capital</b>	<b>Capital reserve</b>	<b>Share options reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
<b>Company</b>					
<b>Balance as at 1 January 2011</b>	109,456	22	1,528	(98,194)	12,812
Total comprehensive income for the period	-	-	-	51	51
Issue of shares upon conversion of convertible notes	50	-	-	-	50
Recognition of share-based payments	-	-	12	-	12
<b>Balance as at 31 March 2011</b>	<b>109,506</b>	<b>22</b>	<b>1,540</b>	<b>(98,143)</b>	<b>12,925</b>
Total comprehensive expense for the period	-	-	-	(51)	(51)
Issue of shares upon share options exercised	29	-	(9)	-	20
Issue of shares for settlement of advisory fees	510	-	-	-	510
Effect of acquiring part of non-controlling interest in a subsidiary	4,150	-	-	-	4,150
Reversal of expenses related to equity-settled share-based payment	-	-	(24)	24	-
Recognition of share-based payments	-	-	29	-	29
<b>Balance as at 30 June 2011</b>	<b>114,195</b>	<b>22</b>	<b>1,536</b>	<b>(98,170)</b>	<b>17,583</b>
Total comprehensive income for the period	-	-	-	323	323
Issue of placement shares	488	-	-	-	488
Expenses in relation to issuance of placement shares	(13)	-	-	-	(13)
Issue of shares pursuant to rights cum warrants issue	7,898	-	-	-	7,898
Expenses in relation to issuance of right shares	(410)	-	-	-	(410)
Recognition of share-based payments	-	-	27	-	27
<b>Balance as at 30 September 2011</b>	<b>122,158</b>	<b>22</b>	<b>1,563</b>	<b>(97,847)</b>	<b>25,896</b>
Total comprehensive income for the period	-	-	-	2,375	2,375
Expenses in relation to issuance of right shares	(41)	-	-	-	(41)
Recognition of share-based payments	-	-	27	-	27
<b>Balance as at 31 December 2011</b>	<b>122,117</b>	<b>22</b>	<b>1,590</b>	<b>(95,472)</b>	<b>28,257</b>
<b>Balance as at 1 January 2010</b>	104,466	22	1,836	(103,378)	2,946
Total comprehensive expense for the period	-	-	-	(135)	(135)
Issue of shares upon conversion of convertible notes	1,000	-	-	-	1,000
<b>Balance as at 31 March 2010</b>	<b>105,466</b>	<b>22</b>	<b>1,836</b>	<b>(103,513)</b>	<b>3,811</b>
Total comprehensive income for the period	-	-	-	1,422	1,422
Issue of shares upon conversion of convertible notes	1,500	-	-	-	1,500
Reversal of expenses related to equity-settled share-based payment	-	-	(89)	89	-
Recognition of share-based payments	-	-	4	-	4
<b>Balance as at 30 June 2010</b>	<b>106,966</b>	<b>22</b>	<b>1,751</b>	<b>(102,002)</b>	<b>6,737</b>
Total comprehensive income for the period	-	-	-	3,078	3,078
Recognition of share-based payments	-	-	5	-	5
<b>Balance as at 30 September 2010</b>	<b>106,966</b>	<b>22</b>	<b>1,756</b>	<b>(98,924)</b>	<b>9,820</b>
Total comprehensive income for the period	-	-	-	497	497
Convertible note – Fair value loss	(10)	-	-	-	(10)
Reversal of expenses related to equity-settled share-based payment	-	-	(233)	233	-
Issue of shares upon conversion of convertible notes	2,500	-	-	-	2,500
Recognition of share-based payments	-	-	5	-	5
<b>Balance as at 31 December 2010</b>	<b>109,456</b>	<b>22</b>	<b>1,528</b>	<b>(98,194)</b>	<b>12,812</b>

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

**Issued Share Capital**

There were no movements in the Company's issued share capital for the quarter ended 31 December 2011 (4Q-10: 555,555,552 at \$0.0045 per share through conversion of convertible notes).

As at 31 December 2011, the Company's issued and paid-up capital was \$122,117,409 divided into 6,318,223,657 shares.

**Warrants**

On 31 December 2011, the Company has 6,318,223,656 warrants pursuant to the rights cum warrants issue. Each warrant carries the right to subscribe for one new share in the capital of the Company at an exercise price of \$0.005. There were no warrants being exercised for the quarter ended 31 December 2011.

**Share options**

The Company has a share option scheme known as mDR Limited Share Option Scheme 2003 which was approved by members of the Company at the Extraordinary General Meeting held on 13 January 2003.

At 31 December 2011, there were 77,366,274 (31 December 2010: 39,495,274) outstanding share options which would entitle the holders to subscribe for a total of 77,366,274 (31 December 2010: 39,495,274) ordinary shares.

The 77,366,274 share options outstanding at 31 December 2011 are approximately 1.22% of the share capital consisting of 6,318,223,657 issued shares at 31 December 2011.

**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-11	31-Dec-10
Issued and paid up	<u>6,318,223,657</u>	<u>3,737,505,521</u>

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

Not applicable

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

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

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

Not applicable

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the financial year ended 31 December 2010.

**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 2011, 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**

<b>Earnings per ordinary share</b> <i>(based on consolidated net profit attributable to equity holders of the Company)</i>	<b>4Q-11 cents</b>	<b>4Q-10 cents</b>	<b>YTD-11 cents</b>	<b>YTD-10 cents</b>
<b>From continuing and discontinued operations:</b>				
- Basic	0.06	0.11	0.15	0.16
- Fully diluted	<u>0.06</u>	<u>0.08</u>	<u>0.15</u>	<u>0.12</u>
<b>From continuing operations:</b>				
- Basic	0.06	0.02	0.14	0.07
- Fully diluted	<u>0.06</u>	<u>0.01</u>	<u>0.14</u>	<u>0.06</u>
<b>From discontinued operations:</b>				
- Basic	-	0.09	0.01	0.09
- Fully diluted	<u>-</u>	<u>0.07</u>	<u>0.01</u>	<u>0.06</u>

Basic earnings per ordinary share is computed based on the weighted average number of shares in issue during the period of 4,713,100,079 (4Q-10: 3,137,931,704).

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 4,724,211,190 (4Q-10: 4,149,991,572).

**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-11 Cents	31-Dec-10 Cents	31-Dec-11 Cents	31-Dec-10 Cents
Net Asset Value ("NAV") per share	<u>0.53</u>	<u>0.39</u>	<u>0.45</u>	<u>0.34</u>

The NAV per share as at 31 December 2011 is calculated based on 6,318,223,657 (31 December 2010: 3,737,505,521) ordinary shares.

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

**Revenue and profit after income tax**

The Group's revenue for 4Q-11 decreased by 4% from \$99.4 million to \$95.2 million, whereas for YTD-11, it increased by 13% from \$314.9 million to \$357.2 million. The decrease in revenue for 4Q-11 was mainly due to a lower turnover from its distribution business. Overall, the Group's revenue has increased year-on-year mainly due to higher revenue contributions from its prepaid cards business.

The Group's gross profit margins quarter-on-quarter remained similar, with a year-on-year decline of 1% from 10% to 9%, mainly due to AMS repair margins.

Net profits from continuing operations for the Group increased by \$1.6 million from \$1.1 million to \$2.7 million quarter-on-quarter, and increased by \$3.8 million from \$3.5 million to \$7.3 million year-on-year. If the profits from discontinued operations were included, the Group would have reported lower net profits of \$2.8 million compared to \$3.8 million quarter-on-quarter, but higher overall year-on-year net profits of \$7.6 million for YTD-11 compared to \$6.2 million for YTD-10.

**Cash flows**

The Group's cash position has improved mainly due to the rights issue net proceeds of \$7.7 million, of which \$6.4 million were used to fully pay off its bank overdrafts in September 2011.

As at 31 December 2011, the Group's working capital increased from \$14.2 million in the preceding year to \$29.4 million.

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

Not applicable

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

The local economy is expected to enter into a period of low growth, and as such, the Group's main distribution and retail businesses may be affected. However, the Group remains cautiously optimistic for FY 2012.

**11. A breakdown of sales as follows:-**

<b>In S\$'000</b>	<b>FY2011</b>	<b>FY2010</b>	<b>Inc/(Dec) %</b>
Sales reported for first half year	178,898	139,929	28%
Operating profit after tax before deducting non-controlling interests reported for first half year	3,108	1,234	152%
Sales reported for second half year	178,262	175,989	1%
Operating profit after tax before deducting non-controlling interests reported for second half year	4,525	5,008	-10%

Note: The above figures include discontinued operations.

**12. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount	\$2.1 million (see note below)
Tax rate	Tax exempt (One-Tier tax)

Issued shares as at 28 February 2012 is 6,336,023,657. On the basis that no warrants are converted and no employee share options are exercised prior to Book Closure Date, the dividend per share will be 0.033 cents. However, if all outstanding warrants of 6,300,423,656 and employee share options of 50,919,000 are converted and exercised respectively, before Book Closure Date, the dividend per share will be reduced to approximately 0.016 cents.

***(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**

Subject to shareholders' approval at the Annual General Meeting to be held on 27 April 2012, the proposed first and final dividend will be paid on 22 May 2012.

**(d) Books closure date**

The Share Transfer Books and Register of Members of the Company will be closed from 8 May 2012 after 5.00 p.m. to 9 May 2012 for the preparation of determining shareholders' entitlements to the first and final (tax exempt one-tier) dividends. For Proposed Dividend on a per share basis, please refer to note 12 (a).

Duly completed registration transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, Singapore Land Tower #32-01 Singapore 048623 up to 5.00 p.m. on 8 May 2012 will be registered to determine shareholders' entitlements to the Proposed Dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8 May 2012 will be entitled to the abovementioned Proposed Dividend.

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

Not applicable

**14. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

<b>In S\$'000</b>	<b>FY2011</b>	<b>FY2010</b>
Proposed first and final dividends for FY2011*	<u>2,100</u>	<u>-</u>

\* See Note 12 (a).

15. **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 in two business segments, After-Market Services ("AMS") and Distribution Management Solutions ("DMS"). AMS provides retrofit services and repair management services for consumer electronic products and mobile telecommunication equipment whereas DMS is a retailer of mobile telecommunication equipment. The segments are the basis which the Group reports information to the Group's chief operating decision maker for the purposes of resource allocation and assessment of the segment information.

**(a) Business Segments**

**FY2011**

	<b>Group</b>					
	<b>AMS</b>	<b>DMS</b>	<b>Unallocated</b>	<b>Total</b>	<b>AMS</b>	<b>Total</b>
<b>Segment revenue</b>						
External	20,022	337,138	-	357,160	-	357,160
Inter-segment	-	-	-	-	-	-
	<u>20,022</u>	<u>337,138</u>	<u>-</u>	<u>357,160</u>	<u>-</u>	<u>357,160</u>
<b>Segment result</b>	(969)	6,673	-	5,704	120	5,824
Rental income	-	1,536	-	1,536	-	1,536
Gain from disposal of discontinued operations				-	172	172
Net foreign exchange loss				(58)	(16)	(74)
Loss on disposal of plant and equipment				(13)	-	(13)
Change in fair value of financial liabilities designated as at fair value				589	-	589
Liabilities written back				354	-	354
Finance costs				(404)	-	(404)
Profit before income tax				<u>7,708</u>	<u>276</u>	<u>7,984</u>
Income tax expense				(351)	-	(351)
Net profit for the year				<u>7,357</u>	<u>276</u>	<u>7,633</u>
<b>Segment assets</b>	<u>6,283</u>	<u>56,652</u>	<u>-</u>	<u>62,935</u>	<u>-</u>	<u>62,935</u>
<b>Segment liabilities</b>	<u>(4,512)</u>	<u>(22,788)</u>	<u>(1,497)</u>	<u>(28,797)</u>	<u>-</u>	<u>(28,797)</u>
<b>Other segment information</b>						
Capital expenditure	664	1,472	-	2,136	-	2,136
Depreciation and amortisation	87	930	-	1,017	-	1,017
Impairment of plant and equipment	-	-	-	-	(34)	(34)

**FY2010**

	Group					
	AMS \$'000	Continuing DMS \$'000	Unallocated \$'000	Total \$'000	Discontinued AMS \$'000	Total \$'000
<b>Segment revenue</b>						
External	17,945	297,004	-	314,949	969	315,918
Inter-segment	-	-	-	-	-	-
	17,945	297,004	-	314,949	969	315,918
<b>Segment result</b>	(2,888)	7,501	-	4,613	(1,546)	3,067
Rental income	-	617	-	617	36	653
Gain from disposal of discontinued operations				-	4,465	4,465
Net foreign exchange Gain (loss)				63	(492)	(429)
Loss on disposal of plant and equipment				(8)	(6)	(14)
Change in fair value of financial liabilities designated as at fair value				234	-	234
Liabilities written back				57	279	336
Finance costs				(762)	(10)	(772)
Profit before income tax				4,814	2,726	7,540
Income tax expense				(1,291)	(7)	(1,298)
Net profit for the year				3,523	2,719	6,242
<b>Segment assets</b>	5,879	52,880	-	58,759	93	58,852
<b>Segment liabilities</b>	(12,105)	(26,396)	(1,926)	(40,427)	(40)	(40,467)
<b>Other segment information</b>						
Capital expenditure	20	1,219	-	1,239	-	1,239
Depreciation and amortisation	92	702	-	794	25	819
Impairment of plant and Equipment	62	-	-	62	-	62

**(b) Geographical segment**

**Segment revenue**

	Revenue from external customers	
	FY2011 \$'000	FY2010 \$'000
Singapore	355,244	314,465
Malaysia	1,916	484
Continuing operations	357,160	314,949
Discontinued operations	-	969
	357,160	315,918

## Other geographical information

	Segment non-current assets	
	FY2011 \$'000	FY2010 \$'000
Singapore	5,441	4,410
Malaysia	19	75
Continuing operations	5,460	4,485
Discontinued operations	-	(34)
Total	5,460	4,451

## 16. 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	439	Nil

**BY ORDER OF THE BOARD**

**Ong Ghim Choon**  
Chief Executive Officer  
28 February 2012