



Balancing Stability and Growth



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CORPORATE PROFILE

mDR Limited (“mDR”) is a Singapore based corporation with diversified investment business, and is engaged in the distribution and retail of telecommunication products and services, aftermarket services, and large format digital inkjet printing. mDR was incorporated in Singapore on 21 October 2000, and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST) on 14 March 2003.





BUSINESS SEGMENTS

DIGITAL INKJET PRINTING FOR OUT-OF-HOME ADVERTISING SOLUTIONS

DISTRIBUTION MANAGEMENT SOLUTIONS

INVESTMENT

AFTERMARKET SERVICES

CORPORATE PROFILE

About MDR



mDR Ltd (“mDR”) is a Singapore based corporation with diversified investment business, and is engaged in the distribution and retail of telecommunication products and services, aftermarket services, and large format digital inkjet printing.

The Group is one of the largest distributors and retailers of mobile devices for leading manufacturers, and also manages one of the largest network of retail stores offering Singtel products and services in Singapore. mDR is also the aftermarket service partner for Samsung in Singapore.

mDR's subsidiary Pixio, is a leading large format digital inkjet printer in Malaysia.

Established in year 2000, mDR has offices in Singapore and Malaysia.

Vision and Mission

We aspire to be a high growth and profitable company and to be the leading complete service provider of telecommunication products and services in Singapore.

Our Mission is to improve shareholders' returns from diverse and sustainable revenue streams and contribute to the development of our stakeholders.

Our Business Network

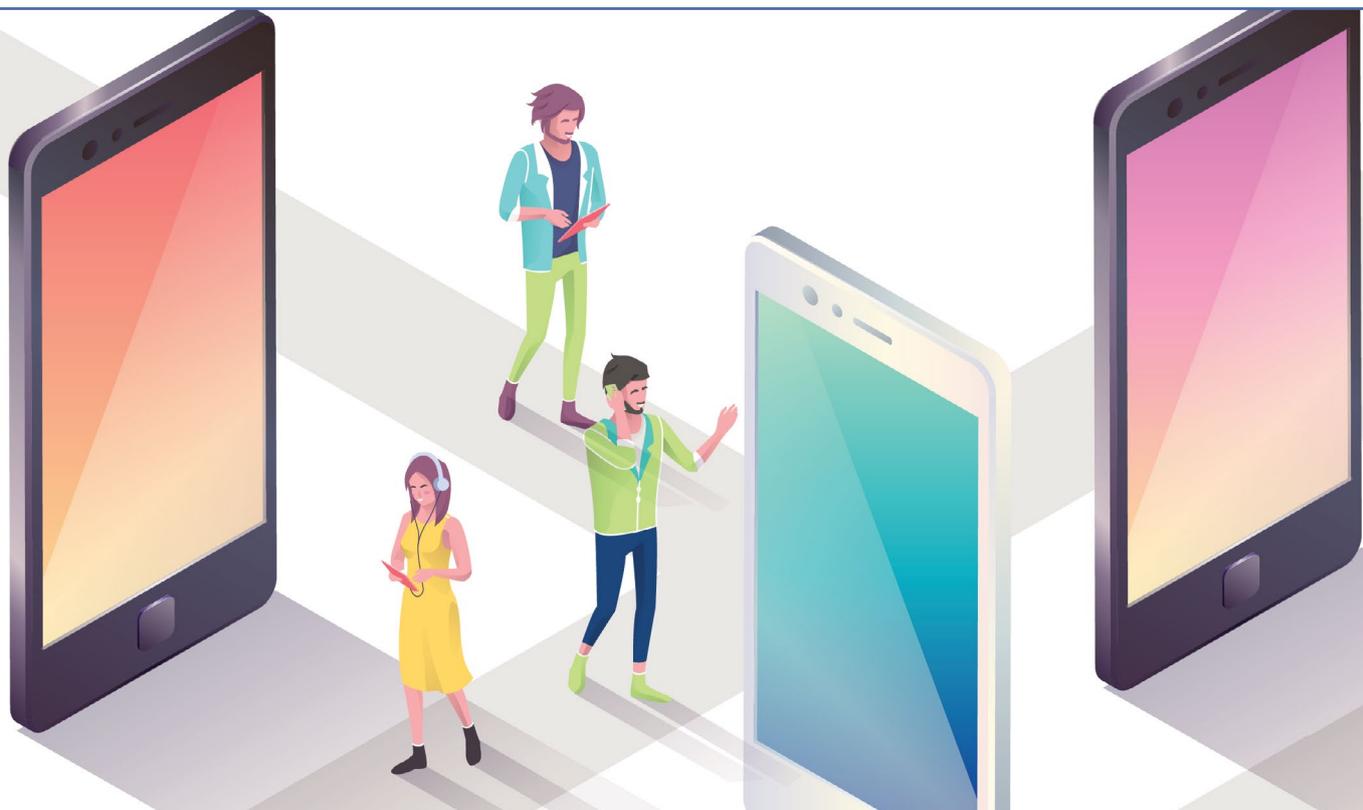


SINGAPORE



MALAYSIA

CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of Directors (the "Board") of mDR Limited (the "Company", and together with its subsidiaries, the "Group"), I am pleased to present to you our annual report for the financial year ended 31 December 2021.

Singapore's economy expanded by 7.6% in 2021, rebounding from the 4.1% contraction in 2020. In tandem with the economic growth, the Group successfully made a turnaround to profitability and recorded \$4.3m in profits (before tax) for the year.

FINANCIAL REVIEW

The Group's year-on-year ("YoY") revenue decreased by \$4.32m to \$189.28m. After Market Solutions ("AMS") division's YoY revenue decreased by \$0.38m to \$16.95m (FY2020: \$17.33m), primarily due to lesser parts changed despite higher repair volumes. Revenue contribution from Distribution Management Solutions ("DMS") division decreased by \$4.15m to \$160.90m (FY2020: \$165.05m), mainly due to lower sales volume generated from the distribution operations. Digital Inkjet Printing for Out-Of-Home Advertising Solutions ("DPAS") division's revenue was \$3.17m – 4% lower than the FY2020 revenue of \$3.30m, partly because of the temporary closure of Pixio's operations in Malaysia due to COVID-19.

The Group recorded \$8.26m in revenue from the Investment division. As at 31 December 2021, MDR has a portfolio of approximately \$118.85m of quoted equities and debt securities (after loss allowance on investment in debt securities) assets, generating dividend and coupon payments. The Group's investment portfolio in equities registered a total return of 34.46% in 2021. During the same period, the STI and FTSE ST Catalyst's total return (inclusive of dividend) was 13.60% and -7.95% respectively.

The Group's net tangible assets as at 31 December 2021 was \$159.38m (31 December 2020: \$128.49m). Cash and cash equivalents of the Group as at 31 December 2021 increased and was \$25.01m (31 December 2020: \$12.32m).



EDWARD LEE
Executive Chairman

BUSINESS OPERATIONS

Singapore Operations

The Group is one of the largest distributor, retailer and aftermarket service provider of mobile phones in Singapore. The Company is Samsung's authorised aftermarket services provider for mobile phones and other consumer electronic goods. The AMS division manages and operates Samsung's 4 service centres at Plaza Singapura, VivoCity, Westgate and Causeway Point. The DMS division currently operates and manages an island-wide network of 11 retail outlets in Singapore comprising: (a) 6 Singtel retail outlets; (b) 2 Handphonestop (HPS) multi-brand stores offering lifestyle goods and accessories, Singtel services, and ZYM Mobile services; and (c) 3 Samsung concept stores at Plaza Singapura, VivoCity

and Westgate. Group's Investment business pertains to investments in equity, debt securities, and loans.

Malaysia Operations

The DPAS operations in Malaysia under Pixio offers a range of large format digital printing solutions. Pixio uses state of the art colour-management systems and latest machinery.

FUTURE OUTLOOK

We are now in the 3rd year of the COVID-19 pandemic. The global and Singapore economy are on path to recovery, although the outlook for recovery remains uneven across business sectors and geographies.

The distribution and retail business under DMS is largely stable. We commercially launched our mobile

virtual network operator (MVNO) business, ZYM Mobile, in September 2021. With more market awareness of ZYM Mobile services and competitive pricing and promotions, ZYM Mobile is expected to achieve the economy of scale required for its sustainable operations. The DPAS business under Pixio will continue to capitalise on its strengths as a cost-effective and quality service provider. The Investment business is developing and is expected to remain the Group's growth engine in terms of bottom-line.

We will continue to explore potential investment opportunities to build new revenue streams and improve shareholders' returns. Barring any unforeseen event, the Group is committed to achieve better performance in 2022.

CHAIRMAN'S STATEMENT

DIVIDEND/CORPORATE GOVERNANCE

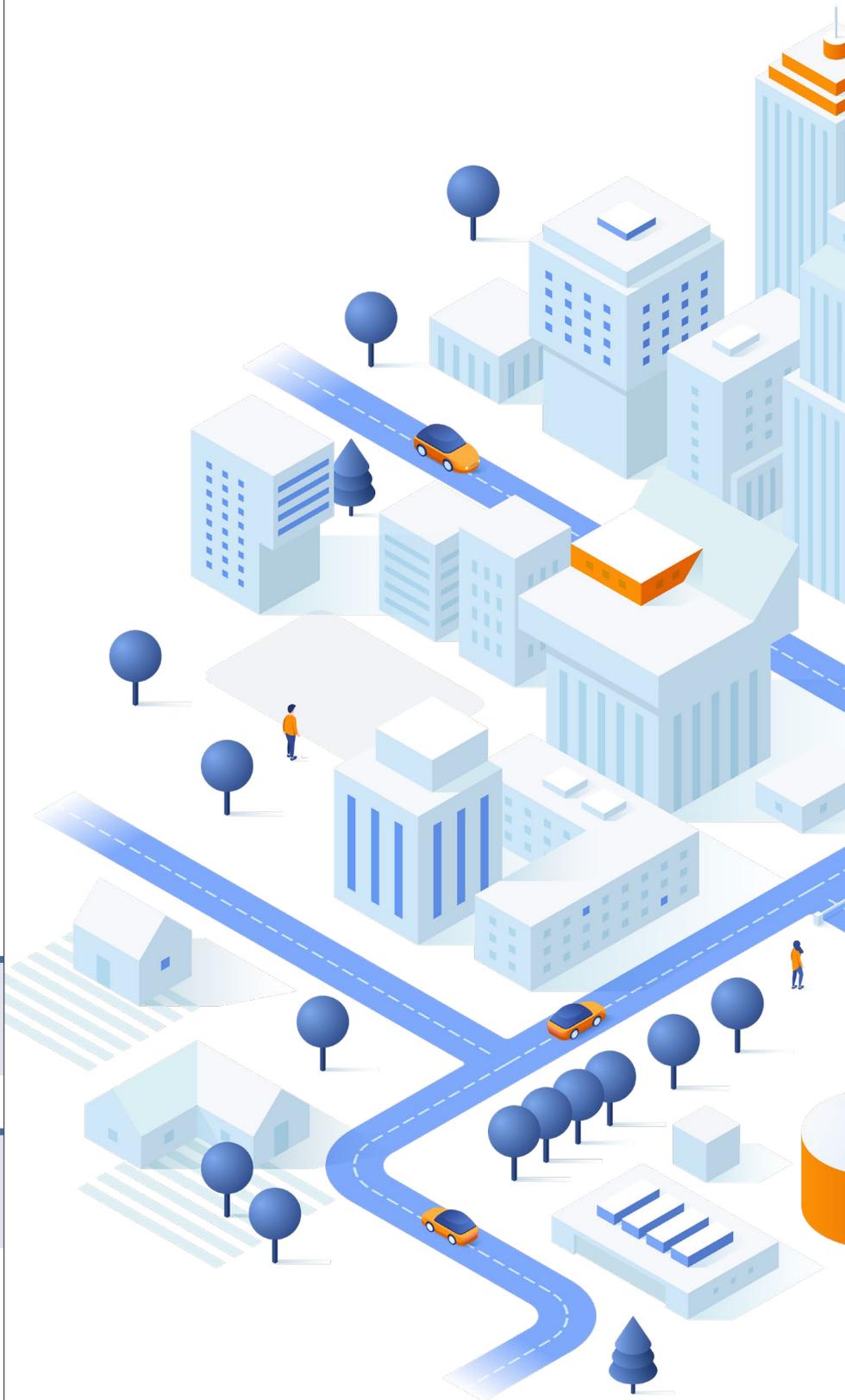
We are pleased to share that we achieved 146th rank (out of 519 SGX listed companies) in the corporate governance ranking in the Singapore Governance and Transparency Index 2021. In view of the challenging and uncertain business environment due to the COVID-19 pandemic, the Group's Executive Directors foregone a part of their bonus for FY2021. The Board is pleased to propose a final dividend of \$4m (approximate) for shareholders' approval at the forthcoming annual general meeting. The dividend translates to approximately 97% of the Group's net profits in FY2021.

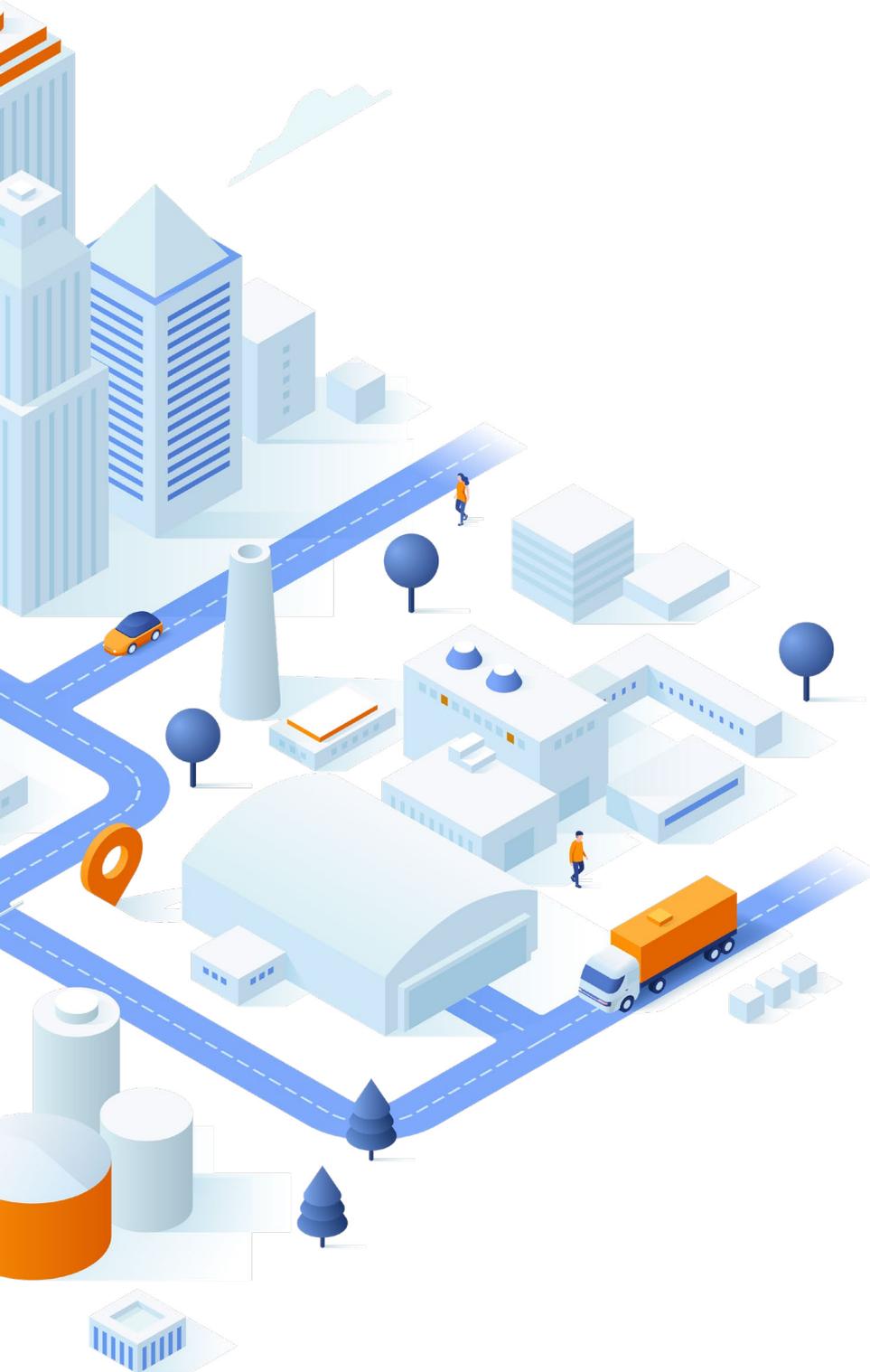
REVENUE

\$189.28 million

TOTAL NET TANGIBLE ASSETS

\$159.38 million





INVESTOR RELATIONS

We have been holding management conference calls with shareholders/analysts/media since March 2019. Currently we are holding management conference calls on a semi-annual basis after the publication of the Group's half-yearly results. Investor relations being a two-way communication, management encourages dialogue and feedback with all stakeholders.

NOTE OF APPRECIATION

On behalf of the Board and management, I express my sincere thanks to all our shareholders, business partners and customers, for their support and confidence that helped us in the recovery. I also extend my heartfelt appreciation to my fellow Directors, management and employees of the Company for their dedication, efforts and teamwork that has contributed to the Group's resilience and growth. We look forward to a bright and successful year ahead.

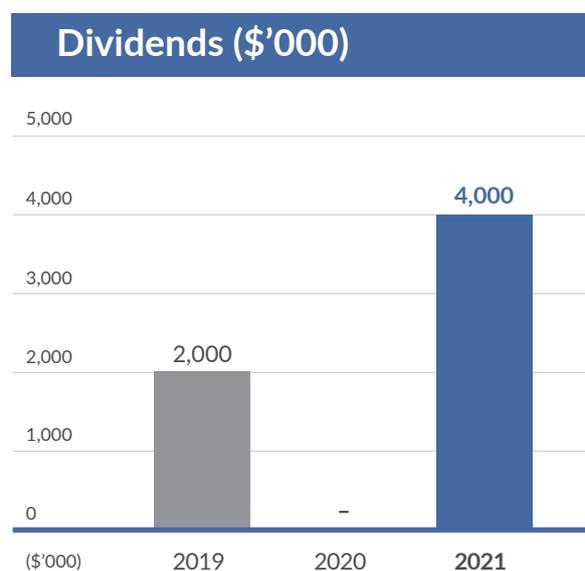
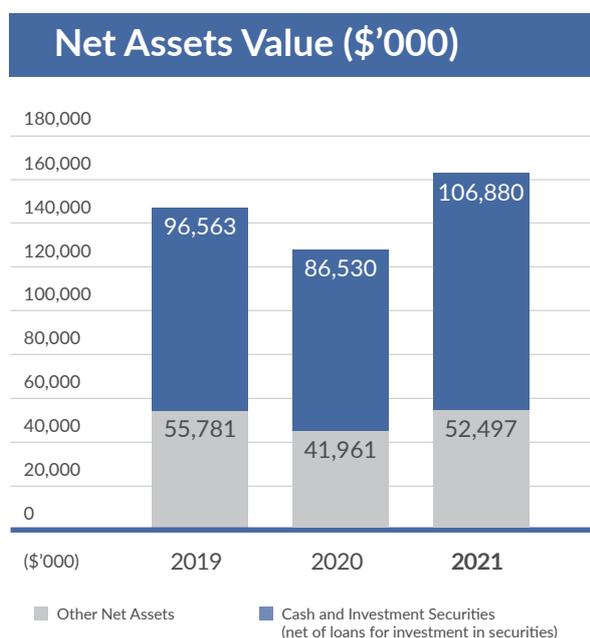
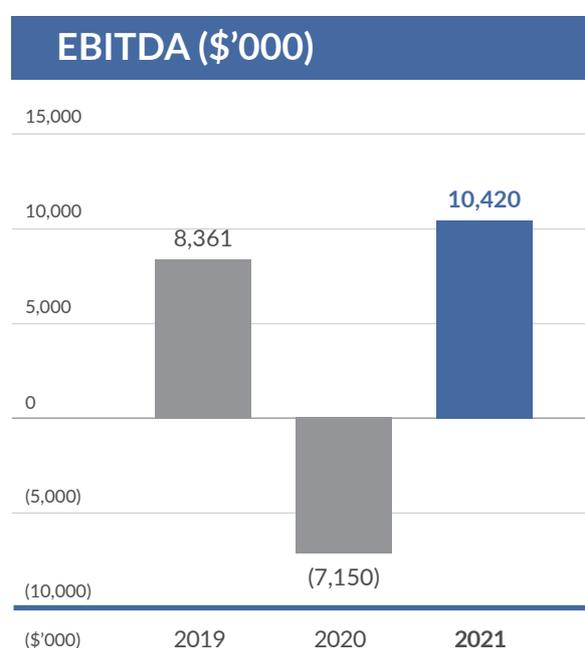
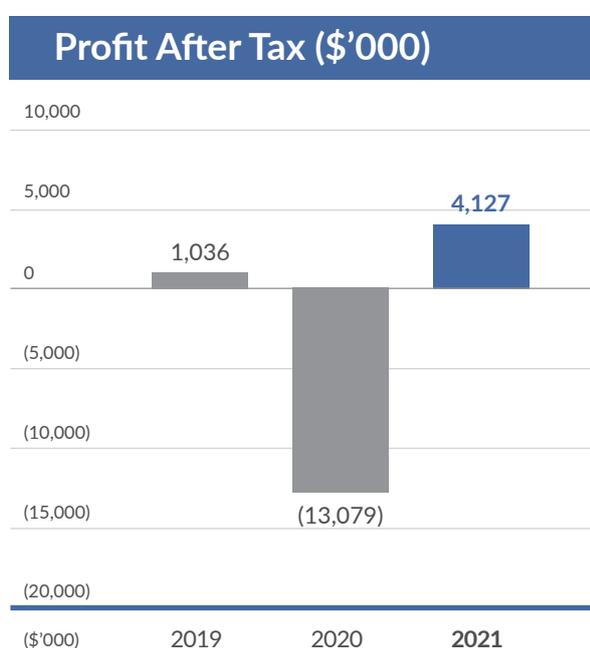
EDWARD LEE

Executive Chairman

31 May 2022

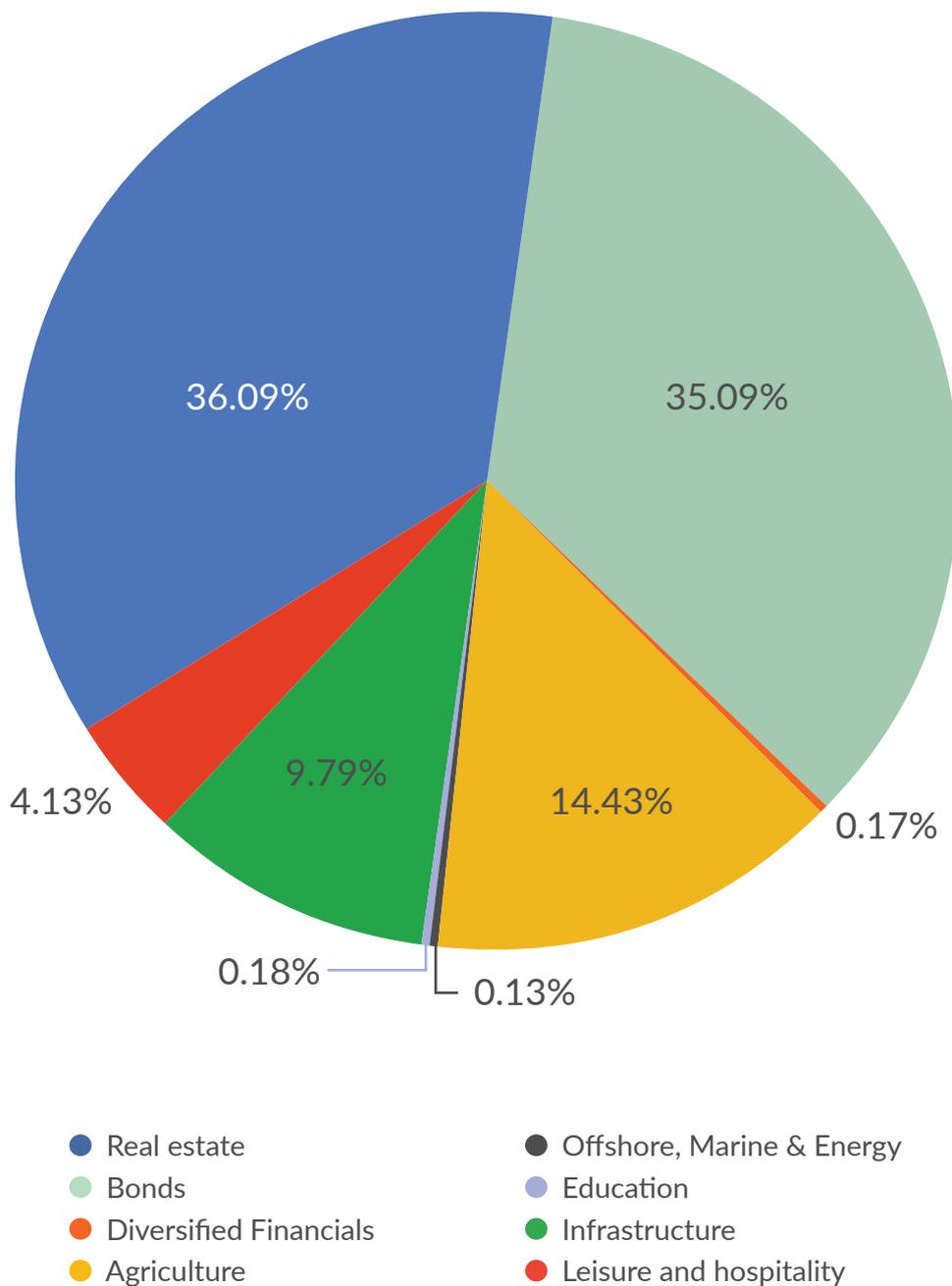
FINANCIAL HIGHLIGHTS

	2019 \$'000	2020 \$'000	2021 \$'000
Profit/(Loss) after tax	1,036	(13,079)	4,127
EBITDA	8,361	(7,150)	10,420
Net Assets Value	152,344	128,491	159,377
Dividends	2,000	-	4,000



INVESTMENTS OVERVIEW (Quoted Securities)

(As at 31 December 2021)



BOARD OF DIRECTORS



01 EDWARD LEE EWE MING*Executive Chairman, Non-Independent Executive Director***Date of first appointment as a Director**

11 May 2017

Date of last re-election as a Director

29 June 2020

Mr Lee is the Executive Chairman of the Group since June 2017. He is also the Managing Director of Edward Lee Apartments Private Limited and Edward Lee Residences Private Limited. Mr Lee was previously a Senior Consultant at Cambridge Associates where he led the firm's hedge fund research in Asia and constructed and oversaw hedge fund portfolios for a broad range of clients. Prior to joining Cambridge Associates, Mr Lee was the Corporate Finance Director of First World Capital. He was also previously an Investment Banking Analyst at Lehman Brothers, Inc. where he worked on mergers & acquisition, initial public offering, and debt restructuring exercises in the South East Asia region. Mr Lee received a Bachelor of Commerce in Accounting/ Finance from the University of Melbourne and was a Deacons Graham James Scholar at the Melbourne Law School. Mr Lee was conferred the Spirit of Enterprise Award in 2016.

02 ONG GHIM CHOON*Chief Executive Officer, Non-Independent Executive Director***Date of first appointment as a Director**

19 August 2009

Date of last re-election as a Director

29 April 2019

Mr Ong is the Chief Executive Officer of the Group since February 2010. Mr Ong is responsible for the overall supervision and management of the business of the Group. He has extensive experience in the telecommunications industry, having been a pioneer in the establishment and management of several telecommunications companies since 1993, which engaged in the import, export, distribution and retail of telecommunications and related products and accessories.

03 ZHANG YANMIN*Executive Director, Non-Independent Director***Date of first appointment as a Director**

29 March 2018

Date of last re-election as a Director

30 April 2021

Ms Zhang is an Executive Director of mDR Ltd. Ms Zhang is also Advisor to Yann Investment Co., Ltd, where she takes on the role of chief investment officer and manages a portfolio of public equity investments. She graduated from the Singapore Polytechnic with a Diploma in Business Administration and attended The Royal Melbourne Institute of Technology (RMIT) majoring in Investments & Finance.

BOARD OF DIRECTORS

04 MARK LEONG KEI WEI

Lead Independent Non-Executive Director

Date of first appointment as a Director	Date of last re-election as a Director
15 May 2017	30 April 2021

Mr Leong presently serves as an Independent Director and Audit Committee Chairman of four SGX listed companies (including mDR Ltd). He is currently the Director of an ASX listed medical technology company, and also a Director of a financial advisory services firm operating in Australia. Prior to this, he was the COO of a SGX listed drilling equipment and engineering solutions provider for the oil & gas industry. In 2012, as Vice President (Finance and Investment) of a family office, Mr Leong helped manage investments as well as identified investment opportunities and exit strategies. In 2010, Mr Leong performed the dual role of Chief Development Officer and Deputy CEO of an ASX listed Group. Between 2002 and 2009, he undertook CFO roles in two SGX listed companies and prior to that, Mr Leong was an auditor with a Big Four firm. Mr Leong is a Fellow of the Association of Chartered Certified Accountants (ACCA), a Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA) and a Member of the Singapore Institute of Directors (SID).

05 OEI SU CHI, IAN

Independent Non-Executive Director

Date of first appointment as a Director	Date of last re-election as a Director
1 June 2017	29 April 2019

Mr Oei presently serves as an Independent Director of mDR Ltd. He is a Legal Counsel for Guotai Junan International (Singapore), a Singapore subsidiary of one of the largest securities houses in China and Hong Kong (SAR). Prior to joining Guotai Junan, Mr Oei was an in-house legal counsel with a Singapore based foreign MNC, with businesses in paper, palm oil, construction and energy. Before that, he was in legal practice and had held the position of Director, Intellectual Property, with a leading Singapore law firm. Mr Oei holds an LL.M. degree from the National University of Singapore and has an IBF Advanced Certificate in Governance, Risk and Compliance.

06 ONG SIOW FONG*Independent Non-Executive Director***Date of first appointment as a Director**

28 September 2020

Date of last re-election as a Director

30 April 2021

Ms Ong presently serves as an Independent Director of mDR Ltd. She is a Senior Associate Marketing Director of PropNex Realty Pte Ltd, where she assists clients to evaluate potential business opportunities in real estate assets and also works closely with other asset management teams on portfolio reporting and marketing strategies. Ms Ong is also the Managing Director of Amicus Capital Management Pte Ltd, which is engaged in the business of providing management consultancy services. Prior to joining PropNex, Ms Ong had been a Financial Consultant with Prudential Assurance Company Singapore (Pte) Ltd. Ms Ong holds a Diploma in Business Informatics from the Nanyang Polytechnic.

07 LIU YAO*Independent Non-Executive Director***Date of first appointment as a Director**

28 September 2020

Date of last re-election as a Director

30 April 2021

Ms Liu presently serves as an Independent Director of mDR Ltd. She is a Chartered Professional Accountant (Australia) and is presently an Industry Controller with Louis Dreyfus Company (Shanghai). Prior to joining Louis Dreyfus, Ms Liu was an Assistant Manager (Audit) with KPMG Singapore with a focus on Real Estate, Consumer & Tourism sectors for both public listed and private companies. Ms Liu received a Bachelor of Business (Major in Accountancy) degree from the RMIT University, Australia.

MANAGEMENT TEAM



EDWARD LEE EWE MING

Executive Chairman

Mr Lee is the Executive Chairman of the mDR Group since June 2017. Please refer to his profile under the “Board of Directors” section of this Annual Report.

ONG GHIM CHOON

Group CEO

Mr Ong is the Group CEO of mDR Ltd since February 2010. Please refer to his profile under the “Board of Directors” section of this Annual Report.



ZHANG YANMIN

Executive Director

Ms Zhang is an Executive Director of mDR Ltd since July 2018. Please refer to her profile under the “Board of Directors” section of this Annual Report.

YIP LI SAN

Group CFO

Ms Yip is the Group CFO of mDR Ltd since May 2018. Prior to that she was the Director (Accounts and Finance) of mDR. She joined DMS (a subsidiary of mDR) as Financial Controller in January 2004. Ms Yip leads the Accounts and Finance Department of the Group and oversees the financial affairs and reporting for the Group. Prior to joining the Group, Ms Yip has 11 years of accounting experience with Transware Distribution Services Pte Ltd (a subsidiary under Keppel Telecommunications & Transportation Group). Ms Yip holds a Bachelor of Accountancy degree from the National University of Singapore and is currently a non-practising member of the Institute of Singapore Chartered Accountants.



JIMMY ONG*Director (Logistics)*

Mr Ong is the Director (Logistics) of A-Mobile. He also manages and supervises the distribution of Singtel prepaid cards under SDS. Mr Ong has been with the mDR Group for more than 15 years having joined DMS (a subsidiary of mDR) in 2004.

**ALEXANDER LIM***CEO, Pixio*

Mr Lim is the CEO of Pixio Sdn. Bhd. (Pixio) since July 2013, when Pixio became a wholly-owned subsidiary of mDR Ltd. He oversees the operations and management of the Digital Inkjet Printing for Out-Of-Home Advertising Solutions (DPAS) business of the mDR Group.

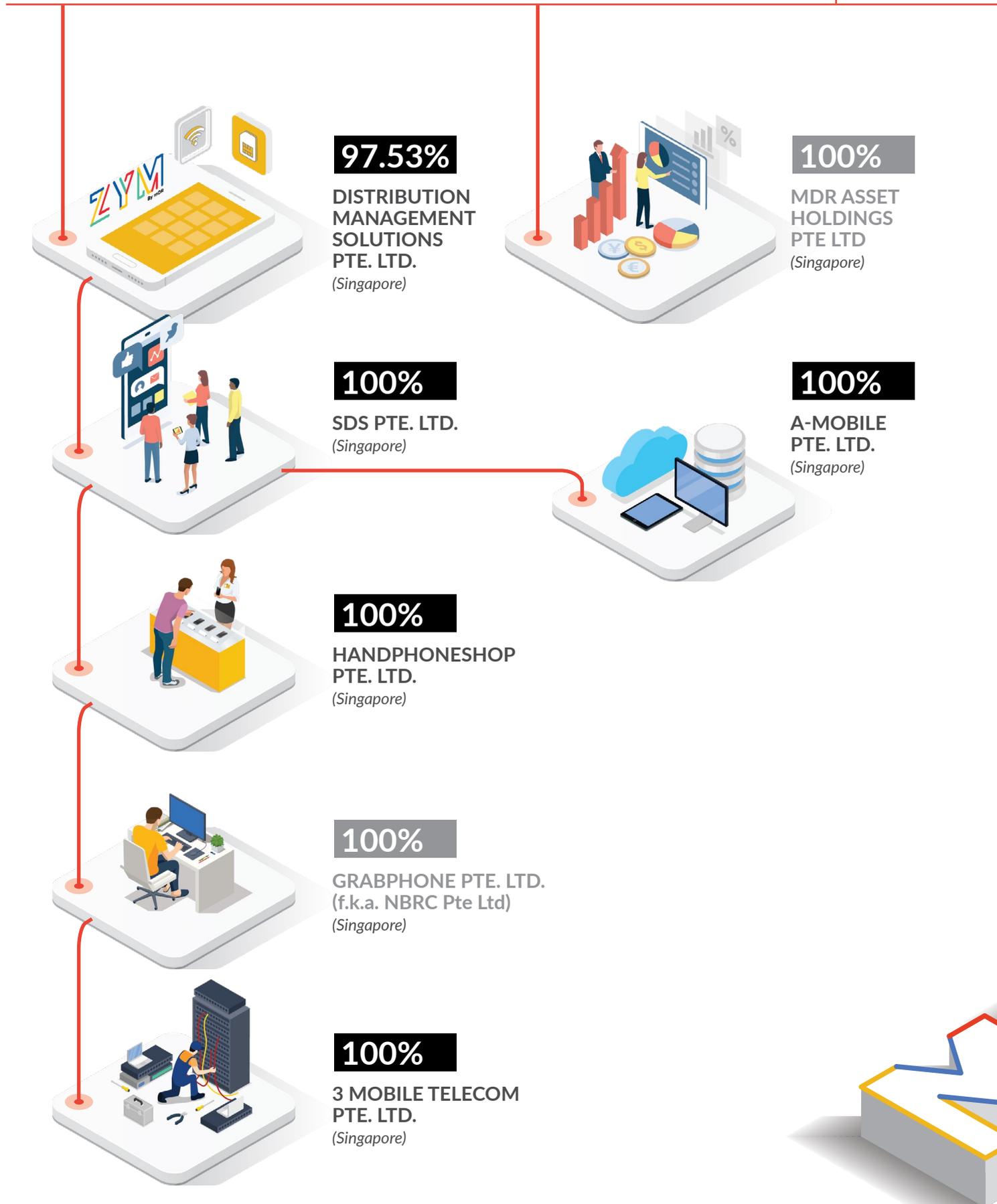
**MADAN MOHAN***Director (Legal)*

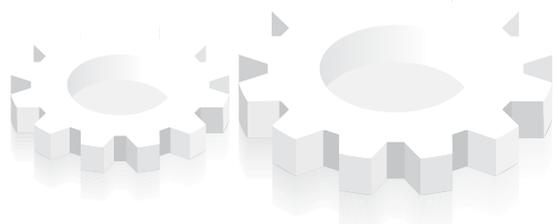
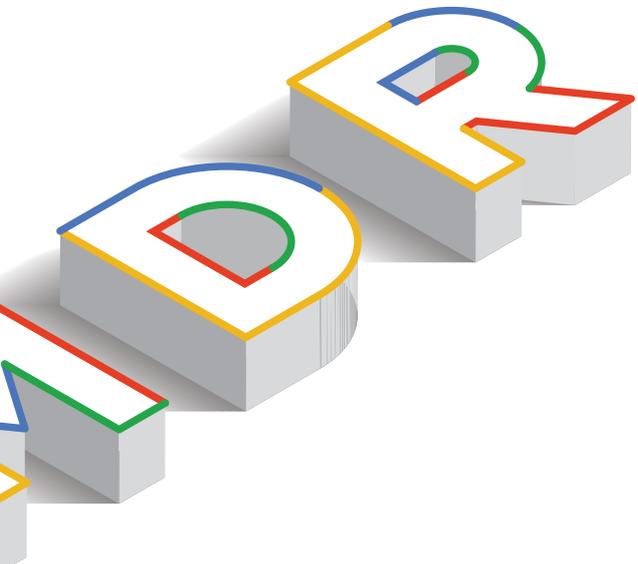
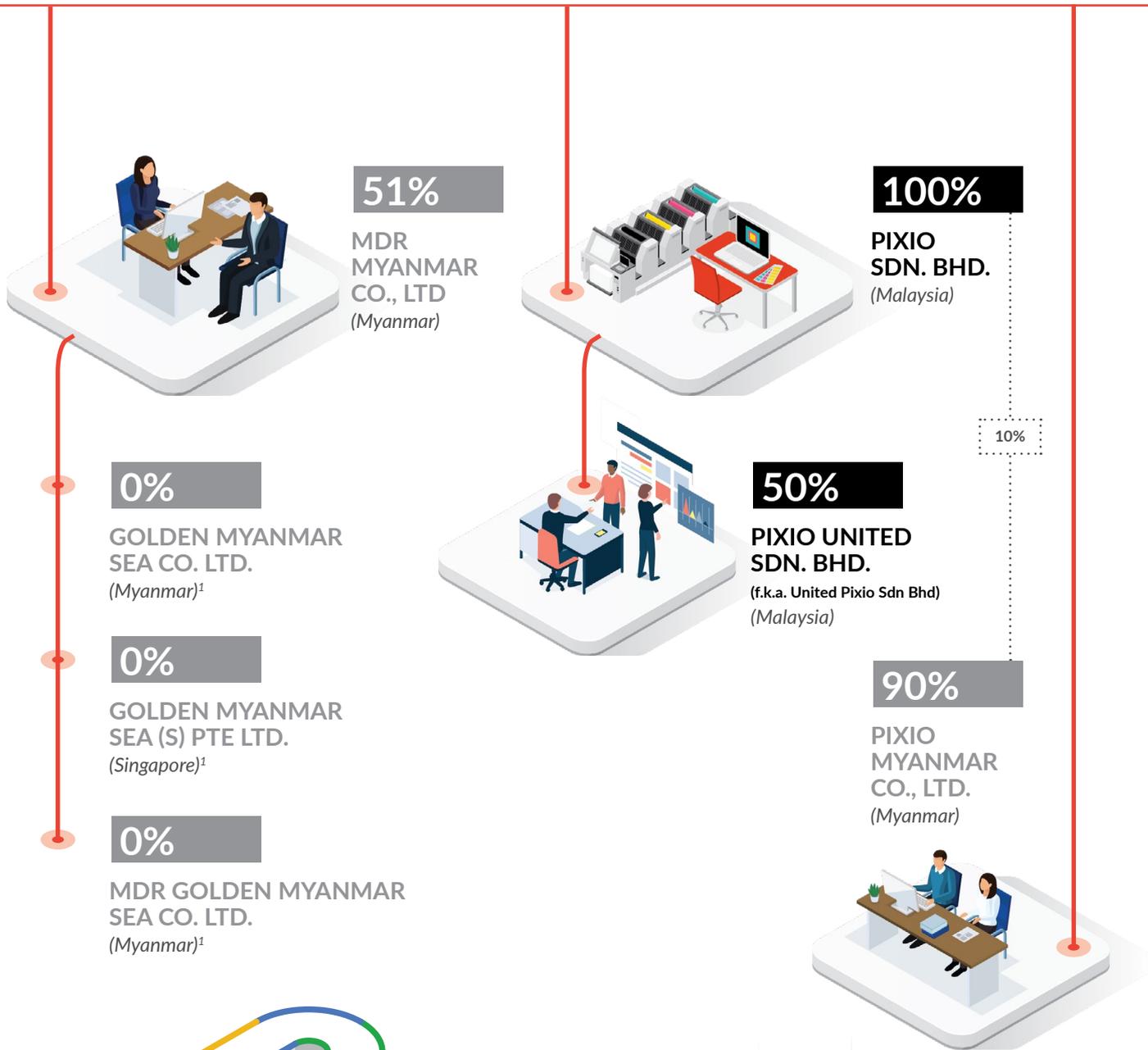
Mr Mohan is the Director (Legal) and Company Secretary of mDR Ltd. He oversees and manages the legal, investor relations and secretarial matters of the Group. Mr Mohan joined the mDR Group in June 2013. He received a Master of Laws (LL.M.) degree with specialisation in Intellectual Property and Technology Law from the National University of Singapore and is an Associate member of the Chartered Secretaries Institute of Singapore.



GROUP STRUCTURE

(As at 31 December 2021)





- Active Companies
- Dormant Companies

¹ The Group acquired control over these companies via mDR Myanmar Co., Ltd.

BUSINESS NETWORK

(As at 31 March 2022)



Singtel Exclusive Retailer

- 1 **Junction 8**
9 Bishan Place,
#02-32, S(579837)
- 2 **Compass One**
1 Sengkang Square,
#B1-08, S(545078)
- 3 **Hougang Mall**
90 Hougang Ave 10,
#04-17, S(538766)
- 4 **ION Orchard**
2 Orchard Turn,
#B4-21/22, S(238801)
- 5 **JEM**
50 Jurong Gateway Road,
#04-38, S(608549)
- 6 **VivoCity**
1 Harbourfront Walk,
#02-216B, S(098585)
- 7 **The Poiz Centre**
51 Upper Serangoon Road,
#01-07, S(347697)

HPS Stores

- 8 **JEM**
50 Jurong Gateway Road,
#04-38, S(608549)
- 9 **Waterway Point**
83 Punggol Central,
#B1-33, S(828761)
- 10 **VivoCity**
1 Harbourfront Walk,
#02-216C, S(098585)

Samsung Service Centres

- 14 **Causeway Point**
1 Woodlands Square,
#03-12, S(738099)
- 15 **Plaza Singapura**
68 Orchard Road,
#B2-23, S(238839)
- 16 **VivoCity**
1 Harbourfront Walk,
#02-28/29, S(098585)
- 17 **Westgate**
3 Gateway Drive,
#02-01, S(608532)

Samsung Experience Stores

- 11 **VivoCity**
1 Harbourfront Walk,
#02-28/29, S(098585)
- 12 **Westgate**
3 Gateway Drive,
#01-01, S(608532)
- 13 **Plaza Singapura**
68 Orchard Road,
#B2-23, S(238839)

Pixio

- 18 **Pixio Sdn. Bhd.**
PT 12873 (D17B),
Nilai Industrial Estate,
71800 Nilai, Negeri Sembilan,
Malaysia
- 19 **Pixio United Sdn. Bhd.**
Lot 88, Block 3,
MCLD Wisma United
Borneo Press Jalan Piasau,
98000 Miri Sarawak, Malaysia



CORPORATE INFORMATION

Board of Directors

Edward Lee Ewe Ming

Executive Chairman/Non-Independent Director

Ong Ghim Choon

Chief Executive Officer/Non-Independent Director

Zhang Yanmin

Executive Director/Non-Independent Director

Mark Leong Kei Wei

Lead Independent Non-Executive Director

Oei Su Chi, Ian

Independent Non-Executive Director

Ong Siow Fong

Independent Non-Executive Director

Liu Yao

Independent Non-Executive Director

Audit and Risk Committee

Mark Leong Kei Wei

Chairman

Oei Su Chi, Ian

Liu Yao

Nominating Committee

Oei Su Chi, Ian

Chairman

Mark Leong Kei Wei

Ong Siow Fong

Remuneration Committee

Oei Su Chi, Ian

Chairman

Mark Leong Kei Wei

Ong Siow Fong

Registered Office

53 Ubi Crescent, Singapore 408594

T : (65) 6347 8911

F : (65) 6347 8903

W: www.m-dr.com

Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd

1 Harbourfront Avenue

Keppel Bay Tower #14-07

Singapore 098632

Auditors

Ernst & Young LLP

1 Raffles Quay #18-01

Singapore 048583

Partner-in-charge: Boon Heng Ng

*(Audit engagement partner since financial year ended
31 December 2021)*

Company Secretary

Madan Mohan

Investor Relations

corporateaffairs@m-dr.com

CORPORATE GOVERNANCE

mDR Limited (the “Company”) is committed to maintain and observe high standards of corporate governance in accordance with the principles, provisions and guidelines set out in the Code of Corporate Governance 2018 (the “Code”). The Company’s corporate governance practices set out in this Report are with reference to the principles of the Code for the financial year ended 31 December 2021 (“FY2021”).

The Company has adhered to the principles and provisions of the Code. Where there are deviations from the provisions of the Code, the Company has provided reasons and explanation on the Company’s practices.

BOARD MATTERS

PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

The Board of Directors (the “Board”) is accountable to the shareholders while the Management is accountable to the Board. The Board provides leadership and guidance to the Management to steer the Group through its business strategy and corporate plans and ensures that the Group has the necessary financial and human resources for its long term-success.

Provision 1.1

Board’s Role and Responsibilities

The Directors discharge their duties and responsibilities as fiduciaries in the best interests of the Company. The Board sets the tone-from-the-top for the Group’s values and standards, conduct, ethics, organisational culture, and ensures that the Group’s obligations to shareholders and stakeholders are understood and met. The Board has put in place a code of conduct and business ethics, which applies to all employees of the Group. Directors declare their interest on an ongoing basis by sending a written notice to the Company setting out details of their interest. Board and Board Committee members recuse themselves from participating in any discussion and decision on the matter in which they may be conflicted.

Provision 1.2

Directors’ Orientation and Training

Directors understand the Group’s business as well as their directorship duties. New Directors are briefed by the Management and given materials to help them familiarise themselves with the Group’s business operations, policies, plans and objectives. Directors who have no prior experience as a Director of a listed company are required to attend the relevant training prescribed under the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company bears the cost of such training.

Directors attend relevant courses and training programmes appropriate for the discharge of their duties as directors from time to time. The Company funds the cost of the said courses and training programmes. Management periodically provides updates to Directors on issues relating to various business segments and changing commercial risks. Company Secretary also updates the Directors on the changes in relevant laws and regulations from time to time. The external auditors of the Company provide updates to the Directors on changes to accounting standards and issues which may have an impact on financial statements.

CORPORATE GOVERNANCE

Some of the events and trainings attended by Director(s) for the financial year ended 31 December 2021 include the following:

- (a) Updates by Management on performance and business outlook relating to various business divisions
- (b) What has Sustainability Got to Do with Me? (KPMG)
- (c) Creating Value at Board-Level – Markets vs Stock Value (SID)
- (d) SGX Regulatory Symposium 2021: Market Needs in a Changing Landscape
- (e) Cyberattacks and Data Breaches: What to do? (Allen & Gledhill)
- (f) Diversity and the Board (Deloitte)
- (g) Looking Beyond the Pandemic – Important role of the AC (SID)
- (h) Artificial Intelligence for Everyone - A Practical Experience (Republic Polytechnic)
- (i) Singapore Governance and Transparency Forum 2021
- (j) An Insider Guide to Cryptocurrency and Blockchain (SID)
- (k) SID Directors Conference 2021: Hyper Digitalisation & 2C : ESG at the Core
- (l) Accounting and regulatory updates by Company's external auditors at ARC meeting(s)

Provision 1.3

Matters requiring Board approval

The Group has in place internal guidelines setting forth matters that require Board approval. The Group's Limit of Authority ("LOA") sets out various material transactions and threshold limits for Board approval in relation to, *inter alia*, capital expenditure, disposal/transfer of assets, purchase requisitions/orders, provisions/write-offs. The LOA is reviewed and revised periodically.

Material items that require Board approval include:

- (a) Group's strategic objectives, business direction and value creation;
- (b) Annual budget/forecasts;
- (c) Material financial/funding arrangements and provision of corporate guarantees;
- (d) LOA matrix, policies and procedures;
- (e) Investment and divestment matters, joint-ventures, acquisitions, disposals and other corporate actions;
- (f) Appointment and remuneration of Directors and senior management;
- (g) Financial results of the Group;
- (h) SGXNET announcements and press releases;
- (i) Bank facilities and mandates for authorized signatories delegated by the Board;
- (j) Interested Person Transactions ("IPTs");
- (k) Incorporation of any subsidiary; and
- (l) Dividend declaration.

Provision 1.4

Board Committees

To assist the Board in the execution of its duties and responsibilities, the Board has established three Board Committees (collectively the "Board Committees" or "Committees"):

- Audit and Risk Committee ("ARC");
- Nominating Committee ("NC"); and
- Remuneration Committee ("RC").

CORPORATE GOVERNANCE

Each of the Committees operate within their respective written terms of reference and functional procedures. The Board may also constitute other *ad hoc* committees as and when necessary to oversee special matters. The names of the Committee members, the terms of reference, and a summary of each Committee's duties and responsibilities are set out in the respective sections concerning the Board Committees in this Report.

Provisions 1.5 and 1.6

Board and Board Committee meetings

Board and Board Committee meetings are scheduled in advance in consultation with the Directors. A Directors' Pack, comprising Board and Board Committee papers are distributed to Directors in advance, in order to allow Directors sufficient time to prepare for the meeting. In addition to scheduled meetings, the Board and Board Committees may also hold *ad hoc* meetings as and when required. The constitution of the Company (the "Constitution") allows Board meetings to be conducted by way of telephone, conference television or similar communication equipment or any other form of audio or audio-visual instantaneous communication. Board approvals may also be obtained through written resolutions by circulation. Board memoranda accompany Directors' written resolutions to provide explanatory information on the resolutions.

Chairman of the Board promotes a culture of openness and debate at the Board, ensures effective communication with shareholders, encourages constructive relations within the Board and between the Board and the Management, promotes high standards of corporate governance, sets the agenda and ensures that adequate time is available for discussion on all agenda items, in particular strategic issues.

The attendance of the Directors at meetings of the Board and Board Committees, as well as the frequency of such meetings are disclosed in this Report. Directors with multiple board representations ensure that sufficient time and attention is given to the affairs of the Company.

For financial year ended 31 December 2021, the Directors' attendances at Board, Board Committees and general meeting(s) are as follows:

Name of Director	Board	ARC	NC	RC	General Meeting(s)
Aggregate Number of meetings held in FY2021	8	5	1	1	3
	Number of Meetings attended				
Edward Lee Ewe Ming	8	4*	1*	1*	3
Ong Ghim Choon	8	4*	1*	1*	3
Zhang Yanmin	8	4*	1*	1*	3
Mark Leong Kei Wei	8	5	1	1	3
Oei Su Chi, Ian	8	5	1	1	3
Ong Siow Fong	8	4*	1	1	3
Liu Yao	7	5	1*	1*	3

(*) Refers to meeting(s) attended by invitation of the Committee

Management recognises the importance of flow of complete, adequate information in a timely manner to the Board. Management provides regular briefings to Directors on commercial developments, business activities and strategic directions of the Group on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. Senior management staff and/or Heads of various Business Divisions are invited periodically to attend Board meetings to provide industry-specific business plans and strategy updates, and to assist the Board in its deliberations.

CORPORATE GOVERNANCE

Executive Directors and key Management staff are invited to attend the Board Committee meetings as necessary based on the nature of the agenda of the Board Committee meetings, to provide inputs and updates and/or responses to the Committee and contribute to the discussions in the meeting. For example, they attend the ARC meeting together with the external auditors of the Company, when the ARC discusses the financial results of the Group. It is the practice for the Chairman of the various Committees to ask the Executive Directors and Management staff to excuse themselves from Committee meetings as necessary. The Board Committees' members, all of whom are Independent Directors, also meet separately without the presence of the Executive Directors and the Management for discussion on various matters of the Group.

Provision 1.7

Independent access and Company Secretary

Directors have separate and independent access to the Management and the Company Secretary. The Directors are provided with the phone numbers and e-mail addresses of the Company's senior management staff and Company Secretary to facilitate separate and independent access.

Should the Directors, whether as a group or individually, need independent professional advice, the Board may appoint a professional advisor selected by the group or individual, as the case may be, to render the advice. The cost of such professional advice will be borne by the Company.

The Company Secretary attends and prepares minutes of Board and Board Committee meetings. Under the direction of the Chairman, the Company Secretary ensures good information flow within the Board and the Board Committees and between Management and Non-Executive Directors. He helps to ensure that Board procedures are followed and relevant rules and regulations are complied with. The Company Secretary advises the Board on all governance matters, as well as facilitates orientation and assists with continuing professional development as required. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

Provision 2.1

Board independence

The Board has an appropriate level of independence and diversity of thought in its composition to enable it to make decisions in the best interests of the Company. As at the date of this Report, the Board comprises seven Directors, namely:

- (a) Edward Lee Ewe Ming;
- (b) Ong Ghim Choon;
- (c) Zhang Yanmin;
- (d) Mark Leong Kei Wei;
- (e) Oei Su Chi, Ian;
- (f) Ong Siow Fong; and
- (g) Liu Yao.

CORPORATE GOVERNANCE

Of the seven Board members, four are independent Directors. A majority of the Board is comprised of independent and Non-Executive Directors. An “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the Company. The process of review of Directors’ independence is set out below (under Principle 4). The NC and the Board upon a consideration of the existence of relationships or circumstances, as set out in the SGX-ST’s Listing Manual and the Code’s Practice Guidance (“**Practice Guidance**”), are satisfied that the “independent” Directors are independent.

The current members of the Board and their membership of the Board Committees are as follows:

Name of Director	Board	Non-Executive	Independent	ARC	NC	RC
Edward Lee Ewe Ming	Executive Chairman	-	-	-	-	-
Ong Ghim Choon	Chief Executive Officer	-	-	-	-	-
Zhang Yanmin	Executive Director	-	-	-	-	-
Mark Leong Kei Wei	Lead Independent Director	✓	✓	Chairman	Member	Member
Oei Su Chi, Ian	Independent Director	✓	✓	Member	Chairman	Chairman
Ong Siow Fong	Independent Director	✓	✓	-	Member	Member
Liu Yao	Independent Director	✓	✓	Member	-	-

Provisions 2.2 and 2.3

Independent and Non-Executive Directors

Currently, four of the seven Board members i.e. a majority of the Board comprises Independent and Non-Executive Directors.

Provision 2.4

Board Diversity

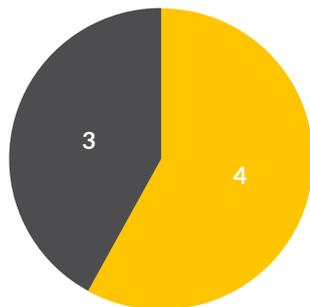
Board and Board Committees have a mix of Directors who as a group provide an appropriate balance and diversity. The Company has adopted a Board Diversity Policy which endorses the principle that Board and Board Committee members as a group should have an appropriate balance and diversity of skills, experience, gender and age, which fosters open and constructive debate and avoids groupthink. The Board and Board Committee members bring with them a broad range of expertise and experience and collectively provide core competencies in various fields such as, accounting and finance, legal, investment, telecommunication, real estate, business and management, industry knowledge, strategic planning, customer-based knowledge, and experience necessary to meet the Group’s needs and plans. In recognition of the importance and value of gender diversity in the composition of the Board, the Board has three female directors, which represents approximately 43% of the total Board composition. The qualifications and experience of the Board members are set out in the “Board of Directors” section of the Annual Report. Taking into consideration the current size of the Company and the Board, the NC has not recommended any measurable quantitative objectives in relation to diversity.

CORPORATE GOVERNANCE

Board Composition

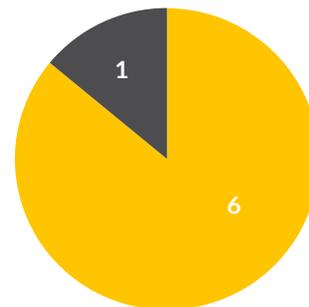
(As at 31 December 2021)

Board Independence



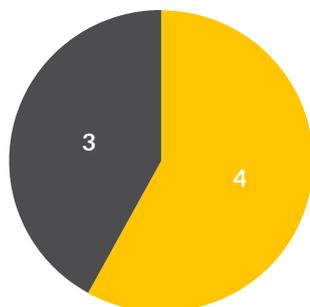
● Independent Directors ● Non-Independent Directors

Directors' length of service



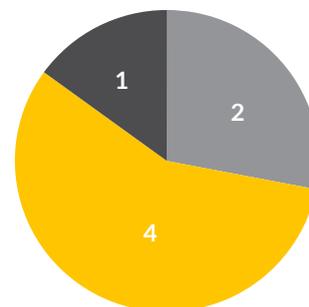
● Less than 9 years ● More than 9 years

Board Gender Diversity



● Male Directors ● Female Directors

Directors' Age Group



● 30s ● 40s ● 50s

Provision 2.5

Regular meetings of Non-Executive Directors

Non-Executive Directors constructively challenge and help develop proposals on strategies of the Company and the Group, review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. To facilitate a more effective check on Management, Non-Executive Directors and/or Independent Directors, led by the Lead Independent Director meet regularly without the presence of Management. The Lead Independent Director provides feedback from such meetings to the Board and the Management from time to time.

CORPORATE GOVERNANCE

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Provisions 3.1 and 3.2

Chairman and CEO

The Board has adopted the recommendation of the Code to have separate persons appointed as Chairman and Chief Executive Officer (“CEO”). This is to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the CEO are not immediate family members. The Board applies the principle of clear division of responsibilities between the Board and the Management, and no individual has unfettered powers of decision-making.

Provision 3.3

Lead Independent Director

In order to ensure good corporate governance practice and that there is no concentration of power and authority, the Company has appointed Mr Mark Leong Kei Wei as the Lead Independent Director. The Lead Independent Director provides leadership in situations where Chairman may be conflicted. Lead Independent Director is available to the shareholders where they may have concerns which cannot be resolved through the normal channels of the Chairman of the Board or the CEO, or where such contact is not possible or appropriate. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual exercising any considerable power or influence. Further, the ARC, NC and RC are chaired by Independent Directors.

PRINCIPLE 4: BOARD MEMBERSHIP

Provision 4.1 and 4.2

NC Membership and Key Terms of Reference

The NC comprises of the following three Directors:

<u>Director</u>	<u>Designation</u>
Oei Su Chi, Ian	Chairman
Mark Leong Kei Wei	Member
Ong Siow Fong	Member

All the members of the NC, including the NC Chairman, are Independent and Non-Executive Directors. The Lead Independent Director is a member of the NC.

CORPORATE GOVERNANCE

The key terms of reference of the NC are:

- (a) to review the structure, size and composition of the Board and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- (b) to review whether or not a Director is independent, in accordance with the provisions of the Code and the Listing Manual;
- (c) to identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- (d) review the process and criteria for evaluation of the performance of the Board, Board Committees and Directors;
- (e) review Board's, Board Committees' and Directors' performance;
- (f) re-appointment of Director having regard to the Director's contribution or performance;
- (g) to consider the progressive renewal of the Board, as well as each Director's competencies, commitment, contribution and performance, when making recommendations to the Board on all relevant matters relating to the appointment and re-appointment of Directors;
- (h) review training and professional development programmes for the Board; and
- (i) make recommendations to the Board as regards plans for succession, in particular, of the Chairman and the CEO and key management personnel ("KMP").

Provision 4.3

Appointment and Re-appointment of Directors

The NC is responsible for making recommendations to the Board on all Board appointments and re-appointments, including Board succession plans for Directors, in particular, the Chairman and the CEO, the need for progressive renewal of the Board, and in determining the independence of Directors. The Board upon consideration as a whole appoints new Directors, and members of the various Board Committees, after the NC has reviewed and nominated them for appointment. The NC evaluates potential new candidates as Directors based on their qualifications, expertise, and work experience, and taking into account diversity, independence, conflicts of interest and time commitments. Potential candidates for Board appointment may be proposed by the existing Directors, the Management or through third-party referrals.

Regulation 104(1) of the Constitution requires every Director to retire from office once every three years by rotation and for this purpose, at each annual general meeting ("AGM"), one-third of the Directors for the time being retire from office. This means that no Director can stay in office for more than three years, unless re-elected by the shareholders. A retiring Director is eligible for re-election by the shareholders at the AGM. In addition, Regulation 103(2) of the Constitution provides that any new Director appointed by the Board during the financial year without shareholders' approval be re-elected at the next AGM following the appointment.

The NC evaluates the performance of the Board and individual Directors for their re-appointment based on a set of guidelines. NC Chairman monitors and assesses each Director's preparedness, contribution to the Board meetings, and the quality of interventions. The Directors' attendance at Board and Board Committee meetings form the other criteria for their re-appointment. Each member of the NC abstains from voting on any resolution, making any recommendation and participating in any deliberation of the NC in respect of the assessment of his own performance and re-nomination as a Director.

CORPORATE GOVERNANCE

Provision 4.4

Review of Directors' Independence

The Board, through the NC reviews the independence of each Independent Director on an annual basis, and as and when required, taking into account the circumstances set forth in the Code. Directors disclose their relationship with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence.

As of the date of this Report, the Company does not have any Independent Director who has served for more than nine years from the date of his first appointment.

Based on the confirmation of independence provided by the Directors and taking into consideration the guidelines in the Code, the NC has determined that the current four Independent Directors (who represent a majority of the Board) are independent within the meaning of the Code, that there is a strong and independent element on the Board, and it is able to exercise objective judgement on all corporate affairs independently, in particular from Management, and that no individual or small group of individuals dominate the Board's decision-making process. Each NC and Board member recused himself from the NC's and the Board's deliberations in relation to his own independence.

Provision 4.5

Directors' Time Commitments

The NC has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. The NC and the Board have adopted internal guidelines under which, Directors should not have more than six listed company board representations. Currently, none of the Directors sit on the boards of more than six listed companies. In the event a Director wishes to hold board seats in more than the maximum listed company Board representations as per the Company's internal guidelines, a request must be made to the NC before submitting to the Board for approval. The NC is of the view that the number of listed company board representations should not be the only criteria for a Director's commitment and ability to contribute effectively to the affairs of the Company.

The NC has considered each Director's external board representations, other principal commitments, their attendance and contributions and is of the view that sufficient time and attention has been given by the Directors in FY2021 to the affairs of the Company in the discharge of their duties.

As at the date of this Report, the Board does not have any alternate directors.

CORPORATE GOVERNANCE

Key information in relation to Directors' listed company directorships and other principal commitments are set out below:

Name of Director	Designation	Date of Appointment	Date of last Re-election	Directorships in other listed companies		Other principal commitments (as at 31 March 2022)
				Current (as at 31 March 2022)	In the past 3 years	
Edward Lee Ewe Ming	<ul style="list-style-type: none"> Executive Chairman Executive Director 	11 May 2017	29 June 2020	None	None	<ul style="list-style-type: none"> Managing Director, Edward Lee Apartments Private Ltd Managing Director, Edward Lee Residences Private Limited
Ong Ghim Choon	<ul style="list-style-type: none"> Chief Executive Officer Executive Director 	19 August 2009	29 April 2019	None	None	<ul style="list-style-type: none"> Director, Pacific Organisation Pte Ltd
Zhang Yanmin	<ul style="list-style-type: none"> Executive Director 	29 March 2018	30 April 2021	None	None	<ul style="list-style-type: none"> Advisor, Yann Investment Co., Ltd.
Mark Leong Kei Wei	<ul style="list-style-type: none"> Lead Independent Non-Executive Director 	15 May 2017	30 April 2021	<ul style="list-style-type: none"> HS Optimus Holdings Ltd LMIRT Management Ltd Osteopore Ltd Viking Offshore and Marine Ltd 	<ul style="list-style-type: none"> LCT Holdings Ltd 	<ul style="list-style-type: none"> Director, Auspac Financial Advisory Pty Ltd Director, Avalon Partners Pte Ltd Director, CytoMed Therapeutics (Malaysia) Sdn Bhd Director, Top Mining Ltd
Oei Su Chi, Ian	<ul style="list-style-type: none"> Independent Non-Executive Director 	1 June 2017	29 April 2019	None	None	<ul style="list-style-type: none"> Legal Counsel, Guotai Junan International Securities (Singapore) Pte. Limited
Ong Siow Fong	<ul style="list-style-type: none"> Independent Non-Executive Director 	28 September 2020	30 April 2021	None	None	<ul style="list-style-type: none"> Managing Director, Amicus Capital Management Pte Ltd Senior Associate Marketing Director, PropNex Realty Pte Ltd
Liu Yao	<ul style="list-style-type: none"> Independent Non-Executive Director 	28 September 2020	30 April 2021	None	None	<ul style="list-style-type: none"> Industry Controller, Louis Dreyfus Company

CORPORATE GOVERNANCE

PRINCIPLE 5: BOARD PERFORMANCE

Provisions 5.1 and 5.2

Assessment

The Board undertakes a formal assessment of its effectiveness as a whole, and that of its Board Committees and individual directors.

At the end of each financial year, the NC assesses the Board's performance as a whole, and the Board Committees' performance, as well as the contribution by the Board's Chairman and each individual Director to the Board. Board evaluation is conducted through a questionnaire dealing with various objective performance criteria and aspects, such as, Board composition, Board processes and procedures, information flow and accessibility, Management and Shareholders communication.

The NC evaluates each individual Director's performance through a separate questionnaire dealing with various aspects, such as, attendance at Board and Board Committee meetings, contribution to meetings, and communication.

The NC also determines whether to re-nominate Directors who are due for retirement at the next AGM, and whether Directors with multiple listed board representations and/or other principal commitments have been able to and have adequately discharged their duties as Directors of the Company.

The Board acts on the results of the performance evaluation, and in consultation with the NC, proposes, where appropriate, new members to be appointed to the Board or seek the resignation of existing Directors. No external facilitator was engaged for the Board evaluation process in FY2021.

Having reviewed the overall performance of the Board and the Board Committees, and the individual Director's performance, the NC is of the view that the performance of the Board, the Board Committees, and each individual Director in FY2021 has been satisfactory.

REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Provisions 6.1 and 6.2

RC Composition

The RC comprises of the following three Directors:

<u>Director</u>	<u>Designation</u>
Oei Su Chi, Ian	Chairman
Mark Leong Kei Wei	Member
Ong Siow Fong	Member

All the members of the RC, including the RC Chairman, are Independent and Non-Executive Directors.

CORPORATE GOVERNANCE

The RC is mandated with the responsibility for developing policies on remuneration for Directors and KMP with a goal to motivate, recruit and retain such Directors and personnel, through competitive compensation and progressive policies. The RC makes recommendations to the Board on remuneration packages of individual Directors and KMP. Each member of the RC abstains from voting on any resolution, making any recommendation and participating in any deliberation in respect of his own remuneration.

Provision 6.3

RC Terms of Reference

The key terms of reference of the RC are:

- (a) determine and agree with the Board on the framework or broad policy for the remuneration of the Company's Board and KMP, and to determine specific remuneration packages for each Executive Director, the CEO and KMP;
- (b) determine targets for any performance related pay schemes adopted by the Company, taking into account pay and employment conditions within the industry and in comparable companies;
- (c) within the terms of the agreed policy, determine the total individual remuneration package of each Executive Director including, where appropriate, allowances, bonuses, benefits in kind, incentive payments and share schemes;
- (d) determine the policy for and scope of service agreements for the Executive Directors in the event of early termination including compensation commitments;
- (e) determine the remuneration of Non-Executive Directors, taking into factors such as efforts, time spent and the responsibilities;
- (f) ensure that the level and structure of the remuneration are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company;
- (g) review the Company's obligations arising in the event of termination of the Executive Directors' or KMP's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and
- (h) administer the mDR Share Plan 2018.

Provision 6.4

Access to advice on remuneration matters

The RC has access to the Company's Human Resources Department, and external consultants, if necessary, for expert advice on remuneration of Directors and KMP.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

Provisions 7.1 and 7.3

Performance-related remuneration

The RC decides on the specific remuneration packages for the Directors, CEO and KMP, with a view to attract, retain and motivate the Directors to provide good stewardship of the Company and for the KMP to successfully manage the Company for its long-term success. The level and structure of remuneration is linked to the strategic objectives of the Company and are proportionate to the long-term sustainability of the Group and value creation.

CORPORATE GOVERNANCE

The remuneration policy for Executive Directors and KMP comprises fixed and variable components. The fixed component includes salary, central provident fund (“CPF”) contributions, annual wage supplement (“AWS”), and other benefits. The variable component comprises performance bonus and/or share award, which is linked to Group’s performance, value creation, and individual performance.

The Remuneration Committee assesses the performance of the Executive Directors and KMP, based on a holistic approach, comprising both financial and non-financial indicators that promote commitment, performance and loyalty to the Group. The Group’s remuneration system takes into consideration, annual budgetary targets and financial performance that include, Company’s growth, revenue, profits, return on total assets, cost-savings, the individual’s performance, industry practices, and non-financial targets.

The remuneration of the Directors and KMP for the financial year ended 31 December 2021 is disclosed in Principle 8 below. In view of the challenging and uncertain business environment due to the COVID-19 pandemic, the Group’s Executive Directors foregone a part of their bonus for FY2021.

The Company’s share award scheme known as mDR Share Plan 2018 is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance to promote the long-term sustainability of the Group.

The Non-Executive Directors are paid Director’s fees that are appropriate to their level of contribution, taking into account factors such as frequency of meetings, efforts and time spent, and their responsibilities. The aggregate fees payable to the Non-Executive Directors are subject to the approval of the shareholders at the annual general meeting of the Company.

Non-Executive Directors are encouraged to hold shares in the Company so as to better align the interests of such Directors with the interests of shareholders. Company’s internal policy prevents Non-Executive Directors from selling Company’s shares prior to leaving the Company.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company.

There is no existing or proposed service contract entered into, or to be entered into, by any Director with the Company or any of the Company’s subsidiaries, which provides for benefits upon termination, retirement or post-employment.

Provision 7.2

Remuneration of Non-Executive Directors

The Non-Executive Directors are paid a basic Director’s fee. The RC recommends to the Board, Non- Executive Directors’ fees that are appropriate to their level of contribution, taking into account factors such as frequency of meetings, effort and time spent, and their responsibilities. The aggregate fees payable to the Non-Executive Directors are subject to the approval of the shareholders at the AGM of the Company.

CORPORATE GOVERNANCE

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

Provisions 8.1, 8.2 and 8.3

Directors and KMP remuneration

The remuneration of the Directors for the financial year ended 31 December 2021 is as follows:

TABLE A

Remuneration & Name	Director's Fees	Salary	Bonus ⁽¹⁾	Other Benefits ⁽²⁾	Total
Executive Directors					
Edward Lee Ewe Ming	-	998,240	90,100	120,600	1,208,940
Ong Ghim Choon	-	661,860	60,150	84,600	806,610
Zhang Yanmin	-	661,840	61,100	83,400	806,340
Non-Executive Directors					
Mark Leong Kei Wei	59,000	-	-	-	59,000
Oei Su Chi, Ian	53,000	-	-	-	53,000
Ong Siow Fong	24,000	-	-	-	24,000
Liu Yao	24,000	-	-	-	24,000

(1) Includes AWS.

(2) Includes allowance and car benefits.

TABLE B

The remuneration of the Group's top five KMP for the financial year ended 31 December 2021 is as follows:

Remuneration Band & Name	Salary (%)	Bonus ⁽¹⁾ (%)	Other Benefits ⁽²⁾ (%)	Total (%)
<u>\$S\$250,000 to \$S\$500,000</u>				
Suia Cheng Foo, Richard ⁽³⁾	80.13	-	19.87	100
<u>Below \$S\$250,000</u>				
Yip Li San	95.21	4.54	0.25	100
Ng Eng Ming, Peter ⁽⁴⁾	82.36	-	17.64	100
Ong Ghim Chwee	75.37	6.81	17.82	100
Alexander Lim Jit Huang	91.16	8.84	-	100

(1) Includes AWS.

(2) Includes allowance and car benefits (where applicable).

(3) Mr Siua ceased to be a Group employee in December 2021.

(4) Mr Ng ceased to be a Group employee in December 2021.

The total remuneration paid to the five KMP under Table B above in FY2021 is S\$1,019,899.

CORPORATE GOVERNANCE

mDR Share Plan 2018

Shareholders of the Company approved the share award scheme known as mDR Share Plan 2018 on 28 September 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. The RC administers the mDR Share Plan 2018. Names of the members of the RC administering the mDR Share Plan 2018 are:

- (a) Oei Su Chi, Ian
- (b) Mark Leong Kei Wei; and
- (c) Ong Siow Fong

No share award has been granted to any participant as at 31 December 2021.

Provision 8.2

Remuneration of immediate family members

Save for Mr Ong Ghim Chwee, who is the brother of Mr Ong Ghim Choon, the CEO of the Company, and whose remuneration is in the band of S\$100,000 – S\$200,000 (remuneration components set out in Table B above), there is no other immediate family member of Company's Directors, CEO or a substantial shareholder of the Company whose remuneration exceeds S\$100,000 during FY2021.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

Provision 9.1

Significant Risks and Board Risk Committee

The ARC oversees the Company's risk management framework and policies, with the assistance of the internal audit division ("IA Division").

The ARC's terms of reference includes governance of risk management and internal controls related matters as follows:

- (a) determine the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation;
- (b) evaluation of the Company's and Group's internal control system;
- (c) review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology ("IT") controls) and risk management systems; and
- (d) review the assurance from the CEO and the Chief Financial Officer ("CFO") on the financial records and financial statements.

Risk Management Policies and Internal Controls

The Group has adopted an Enterprise Risk Management ("ERM") Framework to identify, monitor and control the risks. As part of ERM, the Group maintains a Risk Register, which: (a) identifies the risk areas that may be relevant to the Group; (b) assesses the extent of impact to, and vulnerability of, the Group should such risks materialise; and (c) establishes mitigating practices to be implemented to address such risks. With inputs from the Management, the Risk Register is updated periodically by the IA Division. The nature and exposure of various risks and the adequacy of existing controls in addressing these risks are highlighted to the ARC and the Board. The Management and the Board deliberate on the introduction of new policies and processes, and refinement of the existing policies and processes, to manage the risks which are highlighted.

CORPORATE GOVERNANCE

The IA Division conducts periodic independent audits to test the adequacy and effectiveness of the Company's risk management and internal controls in managing the risks of the Group including financial, operational, compliance and IT controls. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the IA Division are reported to and reviewed by the ARC and the Board. Steps are taken to implement the corrective measures recommended by the IA Division.

The Group maintains adequate and effective internal control and risk management systems that are intended to safeguard, verify and maintain its assets and proper accounting with a clear operating structure based on its delegation of authority and reporting structures, codes of conduct and other documented procedures in place. These internal controls include financial reporting, operational and compliance controls, management accounting, IT systems security and project appraisal policies and systems established by the Management. Management reviews the Group's internal processes, business and operational activities regularly to identify areas of significant financial, business, operational, IT and compliance risks as well as measures to control these risks. Management also reviews internal control policies and highlights all significant matters to the ARC and the Board.

The Group's LOA sets out threshold limits for matters that specifically require the Board's approval and signature requirements. The Group reviews its internal control and risk management systems periodically to ensure that there are sufficient guidelines and procedures in place to monitor its operations. The system of internal controls are intended to provide reasonable but not absolute assurance that the Company will not be adversely affected by any event that could be reasonably foreseen.

Based on the internal controls and risk management systems established and maintained by the Group, work performed by the internal and external auditors, reviews performed by Management, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2021.

Provision 9.2

Management assurance

The Board has received assurance from:

- (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the CEO and other KMP who are responsible, regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

AUDIT COMMITTEE

PRINCIPLE 10: AUDIT COMMITTEE

Provisions 10.1, 10.2 and 10.3

ARC Composition and Role

The ARC comprises of the following three Directors:

<u>Director</u>	<u>Designation</u>
Mark Leong Kei Wei	Chairman
Oei Su Chi, Ian	Member
Liu Yao	Member

CORPORATE GOVERNANCE

All the members of the ARC, including the ARC Chairman, are Independent and Non-Executive Directors. The ARC Chairman has recent and relevant accounting and related financial management expertise and experience. The Board is satisfied that the ARC members collectively have the relevant financial management knowledge to discharge their duties. The ARC does not comprise of any former partner or director of Company's existing external audit firm.

The ARC's principal responsibilities are to:

- (a) review the annual audit plan of the Company's external auditors;
- (b) review the nature and extent of non-audit services provided by the external auditors;
- (c) review the independence and objectivity of the external auditors, the nomination/re-appointment/removal of external auditors and their remuneration and terms of engagement;
- (d) review IPTs and Related Party Disclosures;
- (e) review the Company's financial results and the consolidated financial statements of the Group, before their submission to the Board for approval;
- (f) review the assurance from the CEO and the CFO on the financial records and financial statements;
- (g) review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function; and
- (h) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up, including the review of Whistle-Blowing Policy and procedures for raising any concerns.

The ARC is explicitly authorised by the Board to investigate any matter within its terms of reference. For such purpose, the ARC has full access to and co-operation of the Management, full discretion to invite any Director and employee to attend its meetings, and reasonable resources to enable it to discharge its functions properly. Each member of the ARC abstains from voting on any resolution, making any recommendation and participating in any deliberation in respect of matters in which he may be interested.

Whistle-blowing Policy

The Company has adopted a whistleblowing policy pursuant to which employees, suppliers, customers and other stakeholders of the Company and its subsidiaries may in confidence, raise concerns about possible improprieties in financial or other matters of the Group or any misconduct or wrongdoing relating to the Group and its employees/officers. The whistleblowing policy is administered by the ARC and the ARC is responsible for the oversight and monitoring of whistleblowing. A complainant may choose to report whistleblowing complaint either to the IA or to the ARC directly, both of which are independent functions. Whistleblowing complaints, if any, are reviewed by the IA/ARC and any concern raised are independently investigated in good faith. Where the ARC deems fit, the Company will engage a third party to conduct investigation with the expense borne by the Group. The ARC ensures that the identity of the whistleblower is kept confidential and the complainant does not suffer any reprisal and/or detrimental or unfair treatment. Company's whistleblowing policy allows anonymous reporting. In FY2021, there were zero incident of whistleblowing reported to the IA/ARC.

CORPORATE GOVERNANCE

Financial Reporting Matters

Changes to accounting standards and accounting issues which may have impact on the financial statements are reported by the external auditors to the ARC from time to time in their meetings with the ARC.

In the review of the financial statements for FY2021, the ARC has discussed with the Management the significant accounting principles that were applied and their judgement of items that might affect the accuracy and completeness of the financial statements.

The key audit matters, which are included in the independent auditors' report for FY2021, were discussed with the Management and the external auditors and were reviewed by the ARC.

Minutes of ARC meetings are available to all Directors for information and review.

The ARC has reviewed the independence and objectivity of the Company's external auditors Ernst & Young LLP ("EY"), and has satisfied itself of EY's position as an independent external auditor.

Non-audit fees

The Company had engaged EY to provide tax advisory and agreed upon procedures services for total fee of S\$35,800 in FY2021. Save as disclosed herein, there were no other non-audit services rendered by EY to the Company in FY2021. The ARC has undertaken a review of all non-audit services provided by EY and they would not, in the ARC's opinion, affect the independence of the external auditors.

Audit Firms

The Company has complied with Rule 712 and 715 of the Listing Manual in relation to audit firms.

Provision 10.4

Internal Audit

The Company has established an internal audit function that is independent of the activities it audits. In FY2021, the internal audit functions of the Group have been performed by its in-house internal audit function. The Principal Auditor ("IA"), who is a Certified Internal Auditor, Certified Fraud Examiner, Certified Information Systems Auditor and has a Certification in Risk Management Assurance, is also a member of the Institute of Internal Auditors, Singapore, the Association of Certified Fraud Examiners and ISACA. The ARC is of the view that the IA has the qualifications and experience to perform the internal audit functions of the Group. Company's IA meets The Institute of Internal Auditors (IIA) standards. The ARC approves the hiring, removal, evaluation and remuneration of the IA.

The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC, and has appropriate standing within the Company. The primary reporting line of the IA is to the ARC. Reports prepared by the IA are reviewed by the ARC.

The ARC reviews and approves the annual internal audit plans to ensure that the IA has the capability to adequately perform its functions. The IA periodically reviews the adequacy of and compliance by various business divisions of Group's policies, procedures and internal controls, which have been effected to manage risks and safeguard the Group's assets. The IA also provides a communication channel between the Board, the Management and the external auditors on audit related matters.

The ARC, at least annually, reviews the effectiveness of the Company's internal audit function. The ARC is of the view that the internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE

Provision 10.5

Meetings with Auditors

The ARC meets with the external auditors and internal audit, at least once a year without the presence of Management.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Provisions 11.1 and 11.2

Shareholders' participation

The Board ensures that all shareholders are treated fairly and equitably. The Board presents a balanced and understandable assessment of the Company's performance, position and prospects. The Company through SGXNET, its corporate website, press release and annual report, timely and regularly announces all material developments of the Group, which would likely affect the price, or value of the Company's shares. The Board reviews the Company's financial results and performs a review and discussion of the results before its final approval and release. Financial results and other price-sensitive information are communicated to the shareholders through announcements released via SGXNET and the Company's website. The Board takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Listing Manual of the SGX-ST. Management provides all members of the Board with management accounts and such explanation and information on monthly basis and as the Board may require from time to time, to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

The Company encourages shareholders' participation at general meetings. Information on general meeting is disseminated through notice in the circular or annual report sent to all shareholders together with explanatory notes (if necessary) at least 14 days or 21 days (as the case may be) before the meeting. The notice is also released via SGXNET and posted on the Company's website. Shareholders are informed of the rules, including voting procedures that govern general meetings, during such meeting. In the event a shareholder is not able to attend a general meeting personally, proxy form is enclosed together with the notice of meeting, so that such shareholder can appoint up to two proxies to attend, vote and voice any question, for and on behalf of the shareholder, relating to the resolutions to be tabled in such meeting. All shareholders are encouraged to attend the AGM and other general meetings to proactively engage with the Board and the Management on the Group's business activities, financial performance and other business related matters. At AGM and other general meetings, shareholders are given equal opportunity to share their views and ask Directors and Management questions regarding the activities and performance of the Company and the Group.

Resolutions

Resolutions on substantially separate issues are "unbundled" as separate items at general meetings. For greater transparency and fairness in the voting process, all resolutions are passed by electronic poll. An external firm, which is independent of the entity appointed to undertake the electronic poll voting process, is appointed as scrutineers for the voting process at general meeting. The voting results of all votes cast for and against each resolution and the respective percentages is screened at the meeting, announced after the meeting via SGXNET, and also posted on the Company's website.

CORPORATE GOVERNANCE

Provision 11.3

Directors' and External auditors' attendance

All members of the Board, in particular, the Chairman of the Board and the respective Chairman of the Board Committees and senior management are in attendance at the AGM and other general meetings to assist the Directors in addressing any relevant queries by shareholders. The external auditors are also present at the AGM to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings in FY2021 is disclosed in this Report (under Principle 1 above).

Provision 11.4

Absentia Voting

Regulation 92 of the Constitution allows for shareholders to vote in absentia at the general meetings. The Company has currently not implemented absentia voting. Such voting methods may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders is not compromised.

The Constitution allows a shareholder to appoint one or two proxies to attend and vote in his place at general meetings. The Company allows nominee companies which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

Provision 11.5

Minutes of General Meetings

The Company records minutes of general meetings and publishes the minutes on its corporate website as soon as practicable. The minutes include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and other subject matters, and responses from the Board and the Management.

Provision 11.6

Dividend Policy

Company believes that dividend payments are the ultimate tangible evidence of earnings growth, profitability and good corporate governance. The Company has a dividend policy of paying at least 50% of its distributable net profits to shareholders. The payment and level of final dividend is determined by the Board and approved by the shareholders at the AGM. In determining the amount of dividends to be distributed for each financial year, the Board takes into account the financial and operating needs of the Group.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

Provision 12.1

Avenues for communication

The Board believes in maintaining regular communication with shareholders to gather their views and to address shareholders' concerns, if any. The Board engages with the shareholders in the AGM and other general meetings. Chairman of the Board also engages in periodic dialogue with shareholders from to time. The Company commenced earnings conference calls with shareholders/analysts/media to discuss its financial results since March 2019, which provides an additional avenue to shareholders to share their views on Group's business and performance with the Management.

CORPORATE GOVERNANCE

Provisions 12.2 and 12.3

Investor Relations

The Company's investor relations policy allows for an ongoing exchange of views with shareholders. Company's website has a dedicated investor relations page, which provides guidance on ways for shareholders to contact the Company and/or the Lead Independent Director for any questions. Shareholder's communication received by the Investor Relations team by email are promptly addressed at the latest within a week in consultation with the Management and/or the Board.

MANAGING STAKEHOLDER RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

Provisions 13.1 and 13.2

Material Stakeholders

The Board has identified key stakeholder groups, that include shareholders, suppliers, customers and employees. Board guides the Management in the Company's strategy and approach in addressing the concerns of its key stakeholder groups.

The Company's approach to stakeholders' engagement and materiality assessment and key areas of focus in relation to the management of stakeholder relationships during FY2021 are set out under the "Sustainability Report" section of this Annual Report.

Provision 13.3

Corporate Website

The Company's corporate website www.m-dr.com is updated regularly to keep shareholders and other stakeholders aware of the developments relating to the Company and Company's affairs. The Company is committed to maintaining high standards of corporate disclosure and transparency. The Company does not practise selective disclosure of material information. Material information is publicly released promptly through SGXNET and Company's corporate website. The financial results and annual reports are announced or issued within the mandatory period on SGXNET (unless extension of time is granted by SGX-ST and the Accounting and Corporate Regulatory Authority) and are also made available on the Company's website.

ADDITIONAL INFORMATION

Best practices guide and dealings in securities

The Company has adopted a Best Practices Guide pursuant to SGX-ST Listing Manual guidelines and made it applicable to its Directors and key employees in relation to their dealings in the Company's securities.

The Company circulates a notice on a half-yearly basis to its Directors and employees who have access to unpublished price sensitive information advising them not to deal in the Company's securities during the period commencing one month before the announcement of the Company's half-year and full year results and ending on the date of the announcement of the relevant results.

Similarly, the Directors and employees of the Company are not allowed to deal in the Company's securities on short-term considerations. Company's internal policy requires Board approval for trading of Company's shares by Directors.

CORPORATE GOVERNANCE

IPTs and related party transactions policy

The Company has adopted an internal policy where all IPTs and related party transactions are documented and submitted quarterly (during each quarterly ARC meeting) to the ARC for its review to ensure that such transactions are conducted fairly and on arm's length basis, on normal commercial terms and are not prejudicial to the Company and its minority shareholders.

Board members recuse themselves from participating in any discussion and decision on any matter in which they may be conflicted. In the event that a member of the ARC is deemed to have an interest in an interested person or related party transaction, he is required to abstain from reviewing that particular transaction.

The IPTs for FY2021 are set out in this Report.

Material contracts

Save as disclosed below and in the Directors' report and financial statements, there were no material contract entered into by the Group involving the interests of the CEO, any Director or controlling shareholder, during the financial year ended 31 December 2021:-

Pacific Organisation Pte Ltd

Leasing of premises S\$342,000 (aggregate value for FY2021)

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

Conclusion

The mDR Group recognises the importance of good corporate governance practices. The Group will continue to review and improve its corporate governance practices on an ongoing basis.

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DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of mDR Limited (the "Company") and its subsidiaries (collectively, the "Group") and the financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The Directors of the Company in office at the date of this statement are:

Edward Lee Ewe Ming
Ong Ghim Choon
Zhang Yanmin
Mark Leong Kei Wei
Oei Su Chi, Ian
Ong Siow Fong
Liu Yao

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Companies Act 1967, interests in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of Director	Held in the name of the director		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<i>Ordinary shares of the Company</i>				
Edward Lee Ewe Ming ⁽¹⁾	1	1	398,374,143	398,374,143
Zhang Yanmin ⁽²⁾	-	-	216,634,196	216,634,196
Ong Ghim Choon	59,339,200	59,339,200	-	-
Oei Su Chi, Ian	2,185,842	2,185,842	470,000	470,000
Mark Leong Kei Wei	1,150,000	1,150,000	715,000	715,000

(1) Mr Edward Lee Ewe Ming is deemed interested in 398,374,143 shares held via nominee and financial institutions, out of which 216,634,196 shares are held jointly with his spouse, Ms Zhang Yanmin.

(2) Ms Zhang Yanmin is deemed interested in 216,634,196 shares held via nominee and financial institutions, which are jointly held with her spouse, Mr Edward Lee Ewe Ming.

By virtue of Section 7 of the Companies Act 1967, Mr Edward Lee Ewe Ming and Ms Zhang Yanmin are deemed to have an interest in the Company and in all the related corporations of the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2022.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

4. SHARE OPTIONS

a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

c) Unissued shares under options

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

DIRECTORS' STATEMENT

5. SHARE AWARD

- a) At the Extraordinary General Meeting held on 28 September 2018, the shareholders approved the share award scheme known as mDR Share Plan 2018.
- b) The "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.

The share award scheme is administered by the Remuneration Committee, comprising the following:

Oei Su Chi, Ian (Chairman of the Remuneration Committee)
Mark Leong Kei Wei
Ong Siow Fong

As at 31 December 2020 and 2021, no share award had been granted.

6. WARRANTS

Pursuant to the offer information statement dated 22 May 2018, the Company issued rights shares with free detachable warrants, each warrant carrying the right to subscribe for 1 new ordinary share in the capital of the Company for each warrant share, on the basis of 2 rights shares for every 1 share held by the shareholders and 9 warrants (comprising 3 Tranche 1 warrants, 3 Tranche 2 warrants and 3 Tranche 3 warrants) for every 1 rights share validly subscribed.

A total of 16,577,412,659 rights shares and 149,196,713,931 warrants were issued and were listed and quoted on the Singapore Exchange Securities Trading Limited on 21 June 2018 and 22 June 2018 respectively.

No Tranche 3 warrants were exercised during the year.

Tranche 1 warrants expired on 17 December 2018, as such the 13,958,284,823 outstanding warrants which were not exercised at expiry date had lapsed.

Tranche 2 warrants expired on 17 December 2019, as such the 23,904,105,155 outstanding warrants which were not exercised at expiry date had lapsed.

Before the completion of the share consolidation and warrant adjustment on 28 July 2020, the number of shares that may be issued on conversion of the Group's outstanding Tranche 3 warrants were 49,732,237,977 at \$0.0070 per warrant. As at 31 December 2020, a total of 497,322,345 Tranche 3 warrants at \$0.70 per warrant were outstanding.

Tranche 3 warrants expired on 17 June 2021, as such the 497,322,345 outstanding warrants which were not exercised at expiry date had lapsed.

DIRECTORS' STATEMENT

7. AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee ("Audit Committee"), comprising all non-executive Directors, at the date of this Statement are:

Mark Leong Kei Wei (Chairman of the Audit Committee)

Oei Su Chi, Ian

Liu Yao

The Audit Committee has met seven times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive Directors and external and internal auditors of the Company:

- a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- b) the Group's financial and operating results and accounting policies;
- c) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and external auditors' report on those financial statements;
- d) half-yearly and annual announcements as well as the related press releases on the results and the financial position of the Company and the Group;
- e) the co-operation and assistance given by the management to the Group's external auditors; and
- f) the re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

8. AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

.....
Edward Lee Ewe Ming

.....
Ong Ghim Choon

Singapore
6 July 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF mDR LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of mDR Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2021, the consolidated statements of comprehensive income, and the consolidated statement of cash flows of the Group and the statements of changes in equity of the Group and Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position, and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 44 to the financial statements which discloses the on-going investigation by the Commercial Affairs Department in respect of the suspected misappropriation of assets. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF mDR LIMITED

Key Audit Matters (cont'd)

Assessment of expected credit losses on investment in debt securities

As at 31 December 2021, the Group's debt securities amounted to \$41,701,000 which represents approximately 19% of the Group's total assets as at year end. The debt securities mainly comprise of quoted bonds securities which the Group has measured at amortised cost and fair value through other comprehensive income.

The Group measures expected credit losses ("ECLs") in accordance with SFRS(I) 9 *Financial Instruments* based on lifetime expected losses for debt securities which credit risk has increased significantly since initial recognition, and 12 month expected credit losses for debts securities which credit risk has not increased significantly since initial recognition.

The key assumptions used in the ECLs include the risk of default of the bond issuers and the expected credit losses. A considerable amount of judgment is required in deriving these key inputs which includes reviewing the financial position of the bond issuers, the existing market conditions as well as considering forward-looking economic information. Accordingly, we identified this as a key audit matter.

As part of our audit, we tested the reasonableness of the key inputs and assumptions used by the Group in the ECLs assessment which is largely dependent on the Group's evaluation of credit risk of the bond issuers. We reviewed the process and tested the key parameters relating to the credit risk of the bond issuers by considering the historical credit losses, the credit ratings of the bonds, the coupon received during the year and subsequent to the reporting date and analysing the share prices of the bond securities from initial recognition to after reporting date to gauge the credit risk of the bonds, if any.

We have also tested the forward-looking economic factors used in the ECL assessment by analysing the GDP forecast of the countries in which bonds issuers are operating in. We checked the arithmetic accuracy of the allowance computed. The related disclosures are made in Note 20 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF mDR LIMITED

Key Audit Matters (cont'd)

Valuation of unquoted equity instruments, derivative asset and convertible loan

As at 31 December 2021, the Group's unquoted equity instruments, derivative asset and convertible loan amounted to \$1,699,000, \$225,000 and \$2,010,000 respectively.

Management has assessed the contractual terms of these instruments and its business model and have determined that these investment securities are classified and measured at fair value through profit and loss under SFRS (I) 9 *Financial Instruments*. Management, assisted by an external valuation specialist, determined the fair value of the instruments at the date of issuance and at the financial reporting date.

The valuations of these financial assets are significant to our audit due to their complexity of the valuation models, and the involvement of significant management judgement in the determination of the inputs used in the valuation models. The valuation methods involved include market and income approach. The key assumptions used in the valuation models are share price, volatility of the share price, discount rates and probability of the liquidity event which are affected by expected future market and economic conditions, and the expected financial performance of the investee company.

As part of our audit procedures, we have considered the objectivity, independence and expertise of management's external valuation specialist. We have also engaged our internal valuation specialists to assist us in evaluating the appropriateness of the valuation models and the reasonableness of certain key assumptions used by the management and the external valuation specialist in their valuation models.

Our audit procedures in assessing the key assumptions used included, among others, reading the agreements and terms, performing searches on additional comparable companies for the volatility of the share prices and the discount rates used. We held discussions with the management and researched on the latest development in the investee company to assess the reasonableness of the probability of the liquidity event. The related disclosures are made in Note 19, Note 24 and Note 37 to the financial statements.

Existence of inventories

As of 31 December 2021, the Group's total inventories amounted to \$13,936,000. The Group's inventories mainly comprise of spare parts, handsets, prepaid cards and phone accessories. We focused on the existence of inventories as their total carrying amounts are material to the financial statements and there is a higher inherent risk of theft and pilferage.

As part of our audit, we obtained an understanding of the Group's processes and controls relating to the physical safeguards over inventories and inventories movement. We attended and observed management's year-end inventory counts at selected outlets, counted the inventories and traced the test results to management's records on a sample basis. We performed cut off testing on inventory movement at year end and subsequent to year end. We also performed year-on-year analysis on inventories by categories by considering against our understanding of the business operations during the year. The Group's disclosures relating to inventories are made in Note 16 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF mDR LIMITED

Other matter

The financial statements of mDR Limited and its subsidiaries for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 5 April 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF mDR LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

6 July 2022

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000 Restated
Continuing operations			
Revenue	4	186,072	189,782
Interest Income	4	3,209	3,816
Cost of sales	5	(164,351)	(167,706)
Gross profit		24,930	25,892
Other operating income	6	3,768	3,718
Administrative expenses		(17,900)	(16,264)
Other operating expenses	7	(5,630)	(7,267)
Gain/(loss) arising from derecognition of financial assets	6,7	21	(252)
Reversal of impairment loss/(impairment loss) on financial assets	7	79	(17,938)
Share of profit of an associate		5	5
Finance costs	8	(969)	(1,092)
Profit/(loss) before income tax	9	4,304	(13,198)
Income tax (expense)/credit	10	(229)	3
Profit/(loss) for the year from continuing operations		4,075	(13,195)
Discontinued operations			
Profit for the year from discontinued operations	11	52	116
Profit/(loss) for the year		4,127	(13,079)
Other comprehensive income/(loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net fair value changes in equity and debt securities carried at fair value through other comprehensive income		27,715	(9,667)
Revaluation on leasehold land and building		149	1,095
Income tax relating to component of other comprehensive income that will not be reclassified subsequently		(36)	(263)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation		(164)	32
Other comprehensive income/(loss) for the year, net of tax		27,664	(8,803)
Total comprehensive income/(loss) for the year		31,791	(21,882)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000 Restated
Profit/(loss) attributable to:			
Owners of the Company		4,085	(13,152)
Non-controlling interests		42	73
		4,127	(13,079)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		31,801	(21,960)
Non-controlling interests		(10)	78
		31,791	(21,882)
Earnings/(loss) per share (cents):			
From continuing operations:			
- Basic	12a	0.463	(1.477)
- Diluted	12a	0.463	(1.477)
From continuing and discontinued operations:			
- Basic	12b	0.463	(1.473)
- Diluted	12b	0.463	(1.473)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000 Restated	2021 \$'000	2020 \$'000
ASSETS					
Current assets					
Cash and bank balances	13	25,009	12,324	3,891	2,456
Trade receivables	14	40,296	20,394	30,000	4,059
Other receivables and prepayments	15	3,294	4,573	16,794	19,775
Inventories	16	13,936	24,983	770	897
Investment in debt securities	20	21,334	12,888	21,334	12,888
Income tax recoverable		183	181	-	-
		104,052	75,343	72,789	40,075
Non-current assets					
Other receivables and prepayments	15	2,028	463	48	127
Investment in subsidiaries	17	-	-	3,328	2,749
Investment in an associate	18	30	25	-	-
Investment in equity securities	19	78,851	88,196	78,851	88,196
Investment in debt securities	20	20,367	-	20,367	-
Property, plant and equipment	21	2,098	1,895	1,003	805
Right-of-use assets	22	6,554	12,267	1,011	1,631
Investment property	23	8,099	-	-	-
Convertible loan	24	2,010	1,500	2,010	1,500
Goodwill	25	-	-	-	-
Derivative assets	19	225	-	225	-
Deferred tax assets	30	-	142	-	142
		120,262	104,488	106,843	95,150
Total assets		224,314	179,831	179,632	135,225
LIABILITIES					
Current liabilities					
Bank overdrafts and loans	26	36,704	26,849	33,387	22,175
Trade payables	27	8,820	11,703	1,169	1,317
Other payables	28	8,195	3,962	4,655	1,396
Lease liabilities	29	4,387	2,358	590	670
Lease liabilities from financial institutions	29	83	198	77	27
Income tax payable		144	151	-	-
		58,333	45,221	39,878	25,585
Non-current liabilities					
Bank loans	26	3,595	4,703	3,595	4,703
Other payables	28	1,011	-	-	-
Lease liabilities	29	2,902	2,406	480	1,070
Lease liabilities from financial institutions	29	95	24	91	13
Deferred tax liabilities	30	439	414	-	-
		8,042	7,547	4,166	5,786
Total liabilities		66,375	52,768	44,044	31,371
NET ASSETS		157,939	127,063	135,588	103,854

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
			Restated		
Equity attributable to owners of the Company					
Share capital	31	123,276	154,455	123,276	154,455
Treasury shares	32	(2,823)	(1,908)	(2,823)	(1,908)
Other reserves	33	6,758	(16,212)	5,455	(17,514)
Retained earnings/(accumulated losses)		32,166	(7,844)	9,680	(31,179)
Equity attributable to owners of the company		159,377	128,491	135,588	103,854
Non-controlling interests		(1,438)	(1,428)	-	-
Total equity		157,939	127,063	135,588	103,854
Total liabilities and equity		224,314	179,831	179,632	135,225

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

Group	Share capital \$'000 (Note 31)	Treasury shares \$'000 (Note 32)	Capital reserve \$'000 (Note 33)	Premium on acquisition of non- controlling interests \$'000 (Note 33)	Investment revaluation reserve \$'000 (Note 33)	Property revaluation reserve \$'000 (Note 33)	Foreign currency translation reserve \$'000 (Note 33)	Retained earnings (accumulated losses) \$'000	Attributable to equity holders of the company \$'000	Non- controlling interests \$'000	Total \$'000
Balance at 1 January 2021, as previously reported	154,455	(1,908)	556	(881)	(17,536)	1,583	66	(9,000)	127,335	(1,457)	125,878
Prior period adjustments (Note 42)	-	-	-	-	-	-	-	1,156	1,156	29	1,185
Balance at 1 January 2021, as 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:	-	-	-	-	(4,746)	-	-	4,085	4,085	42	4,127
Profit for the year	-	-	-	-	-	-	-	4,085	4,085	-	-
Gain on disposal of investment securities transferred to retained earnings	-	-	-	-	(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	(31,179)	-	-	-	-	-	-	31,179	-	-	-
Capital reduction	-	(915)	-	-	-	-	-	-	(915)	-	(915)
Repurchase of shares	(31,179)	(915)	-	-	-	-	-	31,179	(915)	-	(915)
Balance at 31 December 2021	123,276	(2,823)	556	(881)	5,433	1,696	(46)	32,166	159,377	(1,438)	157,939

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Treasury shares		Capital reserve		Premium on acquisition of non-controlling interests		Investment revaluation reserve		Property revaluation reserve		Foreign currency translation reserve		Attributable to equity holders of the company		Non-controlling interests		Total	
	\$'000	(Note 32)	\$'000	(Note 33)	\$'000	(Note 33)	\$'000	(Note 33)	\$'000	(Note 33)	\$'000	(Note 33)	\$'000	(Note 33)	\$'000	(Note 33)		\$'000
Group																		
Balance at 1 January 2020	154,455	(15)	556	(881)	(8,479)	751	39	5,918	152,344	(1,506)	150,838							
Total comprehensive loss for the year:																		
(Loss)/profit for the year, as restated	-	-	-	-	-	-	-	(13,152)	(13,152)	73	(13,079)							
Loss on disposal of investment securities transferred to retained earnings	-	-	-	-	610	-	-	(610)	-	-	-							
Other comprehensive (loss)/income for the year	-	-	-	-	(9,667)	832	27	-	(8,808)	5	(8,803)							
Total	-	-	-	-	(9,057)	832	27	(13,762)	(21,960)	78	(21,882)							
Transactions with owners, recognised directly in equity																		
Repurchase of shares, representing total transactions with owners, recognised directly in equity	-	(1,893)	-	-	-	-	-	-	(1,893)	-	(1,893)							
Balance at 31 December 2020, as restated	154,455	(1,908)	556	(881)	(17,536)	1,583	66	(7,844)	128,491	(1,428)	127,063							

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital	Treasury shares	Capital reserve	Investment revaluation reserve	Retained earnings (accumulated losses)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	(Note 31)	(Note 32)	(Note 33)	(Note 33)		
Company						
Balance 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 to retained earnings	-	-	-	(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	-
Repurchase of shares	-	(915)	-	-	-	(915)
Total	(31,179)	(915)	-	-	31,179	(915)
Balance at 31 December 2021	123,276	(2,823)	22	5,433	9,680	135,588

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital	Treasury shares	Capital reserve	Investment revaluation reserve	Accumulated losses	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	(Note 31)	(Note 32)	(Note 33)	(Note 33)		
Company						
Balance at 1 January 2020	154,455	(15)	22	(8,479)	(1,149)	144,834
Total comprehensive loss for the year:						
Loss for the year	-	-	-	-	(29,420)	(29,420)
Loss on disposal of investment securities transferred to retained earnings	-	-	-	610	(610)	-
Other comprehensive loss for the year	-	-	-	(9,667)	-	(9,667)
Total	-	-	-	(9,057)	(30,030)	(39,087)
Transactions with owners, recognised directly in equity						
Repurchase of shares, representing total transactions with owners, recognised directly in equity	-	(1,893)	-	-	-	(1,893)
Balance at 31 December 2020	154,455	(1,908)	22	(17,536)	(31,179)	103,854

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	2021 \$'000	2020 \$'000 Restated
Operating activities		
Profit/(loss) before income tax from continuing operations	4,304	(13,198)
Profit before income tax from discontinued operations	52	122
	4,356	(13,076)
Adjustments for:		
Share of profit of an associate	(5)	(5)
Depreciation of plant and equipment (Note A)	948	1,410
Depreciation of right-of-use assets (Note A)	4,147	3,424
Interest expense	969	1,092
Interest income from fixed deposits	(12)	(9)
Interest income from lease receivables	(107)	-
Interest income from investment in debt securities	(891)	(3,402)
Interest income from loans to third parties	(2,318)	(414)
Gain on disposal of plant and equipment	(37)	(78)
Loss on disposal of right-of-use assets	-	36
Gain on lease modification	(31)	-
(Gain)/loss on disposal of debt securities	(21)	252
Right-of-use assets written off	-	6
Plant and equipment written off	36	88
Allowance for inventories	34	1,488
Inventories written off	1,833	341
Loss allowance for trade receivables	1,341	836
Reversal of loss allowance for non-trade receivables, net	-	(64)
Allowance for impairment on plant and equipment	1	137
Allowance for impairment loss of right-of-use assets	231	227
(Reversal of loss allowance)/loss allowance on investment in debt securities	(1,420)	17,166
Fair value gain on unquoted equity investment	(658)	-
Fair value gain on convertible loan	(510)	-
Fair value loss on derivative assets	234	-
Net foreign exchange (gain)/loss	(800)	538
Operating cash flows before movements in working capital	7,320	9,993
Trade receivables	(3,305)	2,007
Other receivables and prepayments	7,404	6,061
Inventories	9,180	8,587
Trade payables	(2,883)	(1,900)
Other payables	5,121	(412)
Cash generated from operations	22,837	24,336
Income tax paid	(105)	(91)
Interest received	119	9
Interest received from debt securities	402	2,032
Interest received from loan to third parties	1,179	384
Net cash from operating activities	24,432	26,670

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	2021 \$'000	2020 \$'000
Investing activities		
Proceeds from disposal of plant and equipment	75	224
Purchase of property, plant and equipment (Note B)	(1,014)	(369)
Proceeds from disposal of equity securities	51,261	12,380
Purchase of equity securities	(18,528)	(19,633)
Proceeds from disposal of quoted debt securities	6,053	27,961
Investment in unquoted investment securities	(1,500)	-
Purchase of quoted debt securities	(26,739)	(6,674)
Loans to third parties	(24,000)	(1,500)
Repayment of loan from a third party	-	101
Net cash (used in)/from investing activities	(14,392)	12,490
Financing activities		
Purchase of treasury shares	(915)	(1,893)
Interest paid	(969)	(1,084)
Repayment of bank borrowings	(34,338)	(70,217)
Proceeds from bank borrowings	43,173	43,099
Repayment of lease liabilities	(4,061)	(3,627)
Repayment of lease liabilities from financial institutions	(244)	(235)
Dividends paid to non-controlling shareholders	-	(9)
Net cash from/(used in) financing activities	2,646	(33,966)
Net increase in cash and cash equivalents	12,686	5,194
Cash and cash equivalents at beginning of financial year	12,324	7,129
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(1)	1
Cash and cash equivalents at end of financial year (Note 13)	25,009	12,324

Notes to the consolidated statement of cash flows:

A. Depreciation expense:

Included in depreciation expense of \$5,095,000 (2020: \$4,834,000) in the statement of cash flows is \$4,677,000 (2020: \$4,239,000) which is classified in other operating expenses (Note 7) with the remaining classified in cost of sales (Note 5).

B. Purchase of property, plant and equipment:

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$1,216,000 (2020: \$369,000) of which \$202,000 (2020: \$Nil) was acquired under hire purchase loan arrangements with financial institutions (Note 29).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. CORPORATION INFORMATION

mDR Limited (the "Company") is listed on the Singapore Exchange Securities Trading Limited and incorporated in Singapore.

The registered office and principal place of business is at 53 Ubi Crescent, Singapore 408594.

The principal activities of the Company are that of investment holding which includes provision of financing and loans to corporate entities, provision of after-market services for mobile communication devices and consumer electronic products.

The principal activities of the subsidiaries and associate are disclosed in Note 17 and Note 18 to the financial statements respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("SGD" or "\$") and all values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.2 *Change in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and interpretations which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I)1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
SFRS(I)17 <i>Insurance Contracts</i>	1 January 2023
Amendment to SFRS(I)17 <i>Insurance Contracts</i>	1 January 2023
Amendment to SFRS(I)1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I)1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I)1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I)1-12: <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I)10 and SFRS(I)1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within subsidiaries are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 *Basis of consolidation and business combinations (cont'd)*

(a) *Basis of consolidation (cont'd)*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 *Transactions with non-controlling interests*

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation.

All foreign exchange gains and losses impacting profit or loss are presented in the consolidated statement of comprehensive income within "other operating expenses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold land and properties are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computers and computer system	-	20% to 33 1/3%
Other plant and equipment	-	10% to 20%
Motor vehicles	-	10% to 20%
Furniture, fittings and renovation	-	10% to 33 1/3%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leased assets are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 *Investment properties*

Investment properties are properties that are either owned by the Company or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 *Associates*

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 *Associates (cont'd)*

The profit or loss reflects the share of the results of operations of the associate. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of the profit or loss of its associate is the profit attributable to equity holders of the associate and, therefore is the profit or loss after tax and non-controlling interests in the subsidiaries of associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associate is prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of debt instruments applicable to the Group are:

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

De-recognition

A financial asset is de-recognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) *Derivatives*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a nonderivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

Derivative embedded in hybrid contracts with a financial asset host within the scope of SFRS(I) 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 *Financial guarantees*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.14 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are more than 1 year past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.15 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank, cash on hand, fixed deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Borrowing costs

All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 Employee benefits

(a) Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of each reporting period.

2.19 Leases

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Leases (cont'd)

As lessee (cont'd)

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the remaining lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group has applied the amendment to SFRS(I) 16 Leases: *Covid-19-Related Rent Concessions*. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Leases (cont'd)

As lessee (cont'd)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Rental income is accounted for on a straight-line basis over the lease terms.

2.20 Inventories

Inventories consist principally of spare parts, handsets, phone accessories, prepaid cards, skin care products and raw materials that are stated at lower of cost and net realisable value.

Cost comprises direct materials, and where applicable, net of volume rebates. Cost is calculated using weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.21 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale of goods*

The Group sells mobile telecommunication equipment, mobile related services, including mobile virtual network operator services and prepaid cards both to the wholesale market and directly to customers through its own retail outlets. The Group also retails skin care products through its own retail outlets.

For sale of goods to the wholesale market, revenue is recognised when control of the goods is transferred, being when the goods have been collected by the wholesalers or have been shipped to the wholesaler's specific location (delivery). A receivable is recognised by the Group when the goods are delivered to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Revenue (cont'd)

(a) Sale of goods (cont'd)

For sale of goods to retail customers, revenue is recognised when control of the goods is transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods. As the returns of goods from customers during the year are few, the refund liability and the corresponding adjustment to revenue is expected to be immaterial.

Revenue from mobile virtual network operator services is recognised based on the stand-alone selling price of bundled services and/or products. Revenue is recognised over time throughout the contract period as the customers simultaneously receives and consumes the benefit from the Group's performance of providing the services.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effect of variable consideration which is primarily volume rebates. The Group applies the most likely amount method which is used for contracts with a single volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in transaction price and recognised as revenue.

(b) Incentive income

The Group actively promotes the goods of suppliers and connects lines for telecommunication companies through its own retail outlets and via franchising arrangement. The Group receives performance incentive from telecommunication companies for promoting its goods and services and from achieving performance targets. Revenue, in the form of incentive income, are recognised at a point when the line connection and when the targets are achieved, in accordance with the terms of agreement with the telecommunication companies. Any amount recognised as an accrued income will be reclassified to trade receivables at the point at which it is invoiced to the telecommunication companies.

The Group receives marketing rebates from either operators or principals. These rebates are given mainly for promotional events, volume rebates for inventories purchased and rebates for inventories sold. Incentive income is recognised in the period earned.

(c) Rendering of after-market services

The Group provides after-market services, including retrofit services and repair management services (in-of-warranty and out-of-warranty) of mobile telecommunication equipment and consumer products. Revenue is recognised when the repair services are completed, representing that the performance obligation is satisfied. Payment of the transaction price is due at the point the customer collects the repaired equipment, for out-of-warranty repairs. A receivable due from the principals is recognised by the Group when the repair services are completed for in-of-warranty repairs.

(d) Printing and installation service

The Group provides digital inkjet printing and installation services. Revenue is recognised when the printing works are executed and completed. The performance obligation is satisfied when the printing works have been collected by the customers or have been shipped to the customers' specific location (delivery).

For the installation services, revenue is recognised when the installation works are completed and stage of completion is not determined as the total time expected to install is less than a week. Management considers that the completion of the installations represents that the performance obligation is satisfied.

A receivable is recognised by the Group when the printing works are executed and completed together with installation as management is of the view that time expected to install is relatively short. This represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Revenue (cont'd)

(e) Investment income

Investment income pertains to dividend income and interest income.

Dividend income from investments is recognised at the point in time when the shareholders' rights to receive payment have been established.

Interest income from debt securities and loan to third parties is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(f) Rental income

Rental income is recognised on a straight-line basis over the term of the relevant lease.

2.22 Government grants

Government grants are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred income on the balance sheet and is recognised as income in equal amounts over the expected useful life of the related asset.

Where the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs for which the grants are intended to compensate are expensed. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as 'other income'. Alternatively, they are deducted in reporting the related expenses.

2.23 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

2.24 Share capital and share issue expenses

Proceeds from issuance of ordinary shares net of directly attributable expenses are recognised as share capital in equity.

2.25 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.26 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities and assets are not recognised on the balance sheet of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.27 *Segment reporting*

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATE

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

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.

Control over Golden Myanmar Sea Company Ltd ("GMS Myanmar"), Golden Myanmar Sea (S) Pte Ltd ("GMS Singapore") and MDR Golden Myanmar Sea Company Limited ("MDR Golden")

Note 17 states that GMS Myanmar, GMS Singapore and MDR Golden are the subsidiaries of the Group even though the Group has no equity ownership interest and voting rights in these subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.1 *Judgements made in applying accounting policies (cont'd)*

Control over Golden Myanmar Sea Company Ltd ("GMS Myanmar"), Golden Myanmar Sea (S) Pte Ltd ("GMS Singapore") and MDR Golden Myanmar Sea Company Limited ("MDR Golden") (cont'd)

In determining control, the management assessed whether the Group has the ability to direct the relevant activities of these companies. The management has determined that the Group has acquired control over these three companies via its subsidiary, MDR Myanmar Co., Ltd. ("MDR Myanmar"), has the ability to direct the relevant activities of these entities. These subsidiaries are in the process of liquidating and winding down in Myanmar.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Assessment of expected credit losses on investment in 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 2021 is disclosed in Note 20 to the financial statements.

Valuation of unquoted equity instruments, derivative asset and convertible loan

The Group has investments in unquoted equity instruments, derivative asset and convertible loan amounting to \$1,699,000, \$225,000 and \$2,010,000 respectively as at 31 December 2021. These financial assets are measured at fair value through profit and loss. The fair values of the instruments are determined using valuation models based on the market-based approach, option pricing model and probability weighted expected return method. The key assumptions used in the valuation models include share price, volatility of the share price, discount rates and probability of the liquidation event. Most of these assumptions could be affected by expected future market and economic conditions and the expected financial performance of the investee company. The carrying amount of unquoted equity instruments, derivative asset and convertible loan as at 31 December 2021 is disclosed in Note 19, 24 and 37 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. REVENUE AND INTEREST INCOME

	Group	
	2021 \$'000	2020 \$'000 Restated
After-market services income	16,951	17,333
Distribution management solutions income:		
- Sale of goods	137,046	127,307
- Incentive income	23,853	37,746
	160,899	165,053
Investment Income:		
- Dividend income	5,053	4,099
- Interest income	3,209	3,816
	8,262	7,915
Digital inkjet printing income	3,169	3,297
	189,281	193,598
<i>Timing of transfer of goods and services</i>		
Over time	18	-
At a point in time	186,054	189,782
	186,072	189,782
Revenue	186,072	189,782
Interest income	3,209	3,816
	189,281	193,598

5. COST OF SALES

Cost of sales represents cost of inventory recognised as an expense, net of rebates designated for cost down purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

6. OTHER OPERATING INCOME

	Group	
	2021 \$'000	2020 \$'000
Rental support	1,727	575
Interest income:		
- bank deposits	12	9
- lease interest income	107	-
Government grants:		
- wage credit	27	95
- work life grant	-	25
- job support scheme	1,172	1,921
- job growth incentive	5	-
- property tax rebate/cash grant	-	492
- foreign worker levy rebate	-	150
- rental support scheme	414	-
Insurance compensation	174	181
Gain on disposal of plant and equipment	37	78
Sponsorship income	9	59
Gain on lease modification	31	-
Others	53	133
	3,768	3,718
Gain arising from derecognition of financial assets:		
- gain on disposal of investment in debt securities	21	-
	21	-
	3,789	3,718

The government grants received mainly comprise the Wage Credit Scheme ("WCS"), the Job Growth Incentive ("JGI"), the Job Support Scheme ("JSS") and the Rental Support Scheme ("RSS"), all of them are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

During the year ended 31 December 2021, the Group recognised grants of \$1,172,000 (31 December 2020: \$1,921,000), under the JSS. Under this scheme, the government provides wage support to employers, helping businesses retain their local employees (including Singapore citizens and permanent residents) during the economic uncertainty caused by the Corona Virus Disease 2019 ("Covid-19").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

7. OTHER OPERATING EXPENSES

	Group	
	2021	2020
	\$'000	\$'000
		Restated
Minimum lease payments under operating leases - short term lease	142	395
Plant and equipment written off	36	88
Right-of-use assets written off	-	6
Allowance for impairment on plant and equipment (Note 21)	1	137
Allowance for inventories (Note 16)	34	1,488
Allowance for impairment of right-of-use assets (Note 22)	231	227
Loss on disposal of right-of-use assets	-	36
Inventories written off (Note 16)	1,833	341
Depreciation of plant and equipment	734	985
Depreciation of right-of-use assets	3,943	3,254
Fair value gain on unquoted equity investment (Note 19)	(658)	-
Fair value gain on convertible loan (Note 24)	(510)	-
Fair value loss on derivative asset (Note 19)	234	-
Foreign currency exchange (gain)/loss	(390)	310
	5,630	7,267
(Reversal of impairment loss)/impairment loss on financial assets:		
- Loss allowance for trade receivables, net (Note 14)	1,341	836
- Reversal of loss allowance for other receivables, net (Note 15)	-	(64)
- (Reversal of loss allowance)/loss allowance on investment in debt securities (Note 20)	(1,420)	17,166
	(79)	17,938
Loss arising from derecognition of financial assets:		
- Loss on disposal of investment in debt securities	-	252
	5,551	25,457

In 2021, the Group received rental rebate of \$159,000 (2020: \$548,000) for the leased buildings and premises under the Rental Relief Framework as mandated by the Government. The rental rebate has been accounted for as rent concessions in profit or loss as negative variable rent.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8. FINANCE COSTS

	Group	
	2021	2020
	\$'000	\$'000
Interest on bank loans	589	794
Interest on lease liabilities	366	285
Interest on lease liabilities from financial institutions	14	13
	969	1,092

9. PROFIT/(LOSS) BEFORE INCOME TAX

The following items have been included in arriving at profit/(loss) before tax from continuing operations:

	Group	
	2021	2020
	\$'000	\$'000
		Restated
Audit fees:		
- auditor of the Company	166	200
- other auditors	43	21
Non-audit fees:		
- auditor of the Company	36	43
- other auditors	12	14
Directors' remuneration	3,268	3,350
Directors' fees of the Company	160	174
Employee benefits expense:		
- salaries, bonus and other benefits	11,405	9,657
- defined contribution plans	787	954
Cost of inventories recognised as expense	162,114	165,154
Depreciation of plant and equipment (recognised in cost of sales)	214	425
Depreciation of right-of-use assets (recognised in cost of sales)	204	170
Inventories written off	1,833	341

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10. INCOME TAX EXPENSE/(CREDIT)

The major components of income tax expense/(credit) for the financial year ended 31 December 2021 and 2020 are:

	Group	
	2021	2020
	\$'000	\$'000
		Restated
Current income tax – continuing operations:		
- Current income taxation	93	145
- Over provision in respect of previous years	–	(1)
	93	144
Deferred income tax – continuing operations (Note 30):		
- Origination and reversal of temporary differences	(6)	(220)
- Benefits from previously unrecognised tax losses	–	(7)
- Under provision in respect of previous years	142	80
	136	(147)
Income tax attributable to continuing operations	229	(3)
Current income tax – discontinued operations (Note 11):		
- Under provision in respect of previous years	–	6
Income tax attributable to discontinued operations	–	6
Income tax expense recognised in profit or loss	229	3

Domestic income tax is calculated at 17% (2020: 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

Relationship between tax expense and accounting profit/(loss)

A reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 is as follows:

	Group	
	2021	2020
	\$'000	\$'000
		Restated
Profit/(loss) before tax from continuing operations	4,304	(13,198)
Profit before tax from discontinued operation (Note 11)	52	122
	4,356	(13,076)
Income tax expense calculated at 17% (2020:17%)	741	(2,223)
Non-deductible items	132	3,150
Non-taxable items	(698)	(615)
Benefits from previously unrecognised tax losses	(1)	(97)
Deferred tax assets not recognised	801	448
Effect of different tax rate of subsidiaries operating in other jurisdictions	17	(27)
Tax effect of share of results of an associate	(1)	(1)
Effect of partial tax exemption and tax relief	(859)	(697)
Under provision in prior years:		
- current tax	-	5
- deferred tax	142	80
Others	(45)	(20)
Income tax expense recognised in profit or loss	229	3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

11. DISCONTINUED OPERATIONS

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 results of the discontinued operations are as follows:

	Group	
	2021 \$'000	2020 \$'000
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Other income	-	6
Administrative expenses	-	127
Other operating expenses	52	(11)
Profit before income tax	52	122
Income tax expense	-	(6)
Profit for the year from discontinued operations	52	116
Profit attributable to:		
Owners of the Company	1	32
Non-controlling interests	51	84
	52	116

Cash flow statement disclosures

During the year, there are no cash flow impact in respect of operating, investing and financing activities (2020: operating cash outflow of \$50,000).

Profit per share disclosures

	Group	
	2021	2020
Profit per share from discontinued operation attributable to owners of the Company (cent per share)		
- Basic	Nil	0.004
- Diluted	Nil	0.004

The basic and diluted profit per share from discontinued operation are calculated by dividing the profit from discontinued operation, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively. These profits and share data are presented in the tables in Note 12(a).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

12. EARNINGS/(LOSS) PER SHARE

(a) Continuing operations

The calculation of the basic and diluted earnings/(loss) per share from continuing operations attributable to the ordinary owners of the Company is based on the following data:

	Group	
	2021	2020
	\$'000	\$'000
		Restated
Profit/(loss) for the year attributable to the owners of the Company	4,085	(13,152)
Less:		
Profit for the year from discontinued operations	(1)	(32)
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share from continuing operations	4,084	(13,184)
	Number of shares	Number of shares
Weighted average number of ordinary shares for basic and diluted earnings per share computation*	881,673,776	892,571,779

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

(b) Continuing and discontinued operations

The basic and diluted earnings/(loss) per share are calculated by dividing the profit/(loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and dividing the profit/(loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares for diluted earnings per share computation respectively. These profit/(loss) and share data are presented in the tables in Note 12(a) above.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

13. CASH AND BANK BALANCES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash and bank balances	25,009	12,324	3,891	2,456
Shown as:				
Cash and bank balances	24,556	11,930	3,891	2,456
Fixed deposits	453	394	-	-
Cash and cash equivalents in the consolidated statement of cash flows	25,009	12,324	3,891	2,456

The fixed deposits carried interests at 1.50% (2020: 2.90%) per annum. Upon maturity, the fixed deposits are automatically renewed.

14. TRADE RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Third parties	6,794	14,461	1,235	1,286
Accrued income	4,806	3,656	73	78
Accrued interest receivables from debt securities	2,304	669	2,304	669
Loan receivables from third parties	28,011	2,360	28,011	2,360
Others	533	-	-	-
Related parties (Note 34)	166	221	-	207
	42,614	21,367	31,623	4,600
Less: loss allowance for trade receivables	(2,318)	(973)	(1,623)	(541)
	40,296	20,394	30,000	4,059

The average credit period on sales is 30 days (2020: 30 days).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14. TRADE RECEIVABLES (CONT'D)

The loan receivables from third parties include:

- (i) Loan receivables amounted to \$2,579,000 (2020: \$2,360,000) that bore interest at 1.25% per month (2020: 1.25% per month). The loan is secured with the shares of the corporate borrower, a mortgage on a property owned by the shareholders of the borrower and personal guarantees from the shareholders of the borrower.
- (ii) Loan receivables amounted to \$25,432,000 that bore interest at 3.50% per month. The loan is newly provided during the year and is secured by an all-monies mortgage over a property. In addition to the mortgaged property, other securities in relation to the loan are personal guarantee and indemnity by the directors and shareholders of the corporate borrower, pledge of shares of the borrower by the shareholders of the borrower under a share pledge agreement and the Company having a right to purchase the mortgaged property under a sale and purchase agreement upon the occurrence of an event of default under the loan agreement.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables as set out in SFRS(I) 9:

Group	Lifetime ECL - not credit-impaired			Total \$'000
	Collectively assessed	Individually assessed	Lifetime ECL - credit-impaired	
	\$'000	\$'000	\$'000	
Balance as at 1 January 2020	-	55	82	137
Amounts recovered	-	(7)	-	(7)
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	-	305	538	843
Balance as at 31 December 2020	-	353	620	973
Amounts recovered	-	(93)	-	(93)
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	-	146	1,288	1,434
Foreign exchange (gain)/loss	-	(5)	9	4
Balance as at 31 December 2021	-	401	1,917	2,318

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

14. TRADE RECEIVABLES (CONT'D)

Company	Lifetime ECL - not credit-impaired			Total \$'000
	Collectively assessed	Individually assessed	Lifetime ECL - credit-impaired	
	\$'000	\$'000	\$'000	
Balance as at 1 January 2020	-	-	3	3
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	-	-	538	538
Balance as at 31 December 2020	-	-	541	541
Change in loss allowance due to new trade receivables originated net of those derecognised due to settlement	-	-	1,073	1,073
Foreign exchange loss	-	-	9	9
Balance as at 31 December 2021	-	-	1,623	1,623

The table below is an analysis of trade receivables:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Not past due and not impaired	8,393	10,896	76	1,425
Past due but not impaired ⁽ⁱ⁾	31,903	9,498	29,924	2,634
	40,296	20,394	30,000	4,059
Impaired receivables - Individually assessed ⁽ⁱⁱ⁾	2,318	973	1,623	541
Less: loss allowance for trade receivables	(2,318)	(973)	(1,623)	(541)
Total trade receivables, net	40,296	20,394	30,000	4,059

(i) Aging of receivables that are past due but not impaired:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
1 to 30 days	977	1,382	42	68
31 to 60 days	401	1,481	31	-
More than 60 days	30,525	6,635	29,851	2,566
	31,903	9,498	29,924	2,634

(ii) These amounts are stated before any deduction for impairment losses and are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deposits	1,432	1,106	163	240
Prepayments	315	255	103	105
Third parties	3,801	3,617	50	88
Grant receivable	-	284	-	51
	5,548	5,262	316	484
Subsidiaries	-	-	19,671	22,419
	5,548	5,262	19,987	22,903
Less: loss allowance for other receivables				
- subsidiaries	-	-	(3,145)	(3,001)
- others	(226)	(226)	-	-
	(226)	(226)	(3,145)	(3,001)
	5,322	5,036	16,842	19,902
Analysed as:				
Current	3,294	4,573	16,794	19,775
Non-current	2,028	463	48	127
	5,322	5,036	16,842	19,902

Other receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group or are secured with collateral or other credit enhancements.

Included in the amount due from subsidiaries are net advances of \$12,770,000 (2020: \$14,951,000) that are unsecured, bear interest at 3% (2020: 3%) per annum and repayable on demand.

The remaining amount due from subsidiaries is unsecured, interest-free and repayable on demand. During the year, management has determined the allowance of \$144,000 (2020: \$391,000) was required for a subsidiary due to a significant increase in credit risk.

Grant receivable relates to the Job Support Scheme receivable due from the Singapore Government to provide wage support to employers to help retain their local employees during this period of economic uncertainty.

Included in the non-current other receivables are security deposits due from landlord for the rental of outlets amounted to \$1,017,000, for which the lease term expires between 1 to 3 years. The remaining non-current other receivables pertain to receivables for rental support of the retail outlets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. OTHER RECEIVABLES AND PREPAYMENTS (CONT'D)

The table below shows the movement in loss allowance that has been recognised for other receivables set out in SFRS(I) 9:

Group	Lifetime ECL -		Total \$'000
	12-month ECL \$'000	credit-impaired \$'000	
Balance as at 1 January 2020	66	224	290
Amounts recovered	(66)	-	(66)
Increase resulting from new financial assets and derecognised financial assets	-	2	2
Balance as at 31 December 2020 and 31 December 2021	-	226	226

Company	Lifetime ECL -		Total \$'000
	12-month ECL \$'000	credit-impaired \$'000	
Balance as at 1 January 2020	66	2,610	2,676
Amounts recovered	(66)	-	(66)
Increase resulting from new financial assets and derecognised financial assets	-	391	391
Balance as at 31 December 2020	-	3,001	3,001
Increase resulting from new financial assets and derecognised financial assets	-	144	144
Balance as at 31 December 2021	-	3,145	3,145

16. INVENTORIES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
	Restated			
Spare parts, handsets, accessories, prepaid cards and skin care products	13,381	24,413	770	897
Raw materials	555	570	-	-
	13,936	24,983	770	897

During the year, inventories amounting to \$1,833,000 were written off (2020: \$341,000). The written off amount includes handsets and phone accessories that were misappropriated during the year. Details of the misappropriation are disclosed in Note 44.

An allowance for inventory obsolescence of \$34,000 (2020: \$1,488,000) was made during the year.

Inventories written off and inventory obsolescence are presented in the consolidated financial statement within "other operating expenses".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	\$'000	\$'000
Unquoted equity shares, at cost	30,186	30,186
Impairment loss	(26,858)	(27,437)
	3,328	2,749
Non-trade advances to subsidiaries	8,449	8,449
Impairment loss	(8,449)	(8,449)
	-	-
	3,328	2,749

Movement in impairment loss:

	Company	
	2021	2020
	\$'000	\$'000
At beginning of year	35,886	18,664
Addition during the year	-	17,222
Reversal during the year	(579)	-
	35,307	35,886

The principal activities of the subsidiaries are the provision of after-market services for mobile equipment and consumer electronic products; distributor and retailer of mobile telecommunication equipment and mobile related services, including prepaid cards and cosmetics (including skin care products); the provision of digital inkjet printing for point-of-sale and out-of-home advertising solutions, and investment holding.

The Company had carried out a review of the recoverable amounts of its investment in subsidiaries where there are indicators of impairment. The review led to a reversal of impairment loss amounted to \$579,000 in wholly-owned subsidiary, Pixio Sdn Bhd ("Pixio") during the year. In 2020, there was an impairment loss of \$17,222,000 in non-wholly owned subsidiary, Distribution Management Solution Pte Ltd ("DMS") and in wholly-owned subsidiary, Pixio.

The recoverable amounts of the subsidiaries were determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the relevant markets in which the subsidiaries operate.

The key assumptions for the value in use calculations are those regarding the discount rates and long-term growth rate. The pre-tax discount rates used in the cash flow projections range from 8.7% to 12.4% (2020: 9.60% to 11.10%), and long-term rates used range from 1.79% to 2.08% (2020: 1.21% to 3.37%) respectively.

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENT IN SUBSIDIARIES (CONT'D)

Sensitivity to changes in assumptions

With regards to the assessment of recoverable amounts for the investment in Pixio and DMS, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Details of the subsidiaries are as follows:

Subsidiaries	Country of incorporation and operations	Principal activity	Effective equity interest	
			2021	2020
			%	%
Held directly by the Company				
Distribution Management Solutions Pte. Ltd. ⁽¹⁾⁽⁴⁾	Singapore	Investment holding	97.53	97.53
VT Cosmetics Pte Ltd (f.k.a Shenzhen Quanli Leather (S) Pte Ltd) ⁽¹⁾	Singapore	Retail sale of cosmetics and toiletries (including skin care products)	100	100
MDR Asset Holdings Pte Ltd ⁽²⁾	Singapore	Dormant	100	100
Pixio Sdn. Bhd. ⁽³⁾	Malaysia	Provision of digital inkjet printing for point-of-sale and out-of-home advertising solutions	100	100
MDR Myanmar Co., Ltd. ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	Myanmar	Dormant	51	51
Golden Myanmar Sea Company Ltd. ⁽²⁾⁽⁵⁾⁽⁶⁾	Myanmar	Dormant	-	-
Golden Myanmar Sea (S) Pte Ltd. ⁽²⁾⁽⁵⁾	Singapore	Dormant	-	-
MDR Golden Myanmar Sea Company Ltd. ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	Myanmar	Dormant	-	-
Pixio Myanmar Co., Ltd. ⁽²⁾⁽⁶⁾	Myanmar	Dormant	100	100
Subsidiaries of Distribution Management Solutions Pte Ltd				
SDS Pte. Ltd. ⁽¹⁾	Singapore	Sale of mobile telecommunication equipment and mobile related services, and prepaid cards	97.53	97.53
A-Mobile Pte. Ltd. ⁽¹⁾	Singapore	Sale of mobile telecommunication equipment and mobile related services, and prepaid cards	97.53	97.53
3 Mobile Telecom Pte. Ltd. ⁽¹⁾	Singapore	Sale of mobile telecommunication equipment and mobile related services, and prepaid cards	97.53	97.53
HandphoneShop Pte. Ltd. ⁽¹⁾	Singapore	Sale of mobile telecommunication equipment and mobile related services, and prepaid cards	97.53	97.53
Grabphone Pte. Ltd. (f.k.a NBRC Pte. Ltd.) ⁽²⁾	Singapore	Dormant	97.53	97.53

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (1) Audited by Ernst & Young LLP, Singapore.
- (2) Management accounts have been used for consolidation purposes as management is of the view that these entities are not significant to the Group.
- (3) Audited by KGNP.
- (4) The profit or loss allocated to non-controlling interests and accumulated non-controlling interests of these non-wholly owned subsidiaries are individually insignificant to the Group.
- (5) In 2013, the Company set up a joint-venture company MDR Myanmar Co., Ltd. ("MDR Myanmar") with three other partners to provide after-market services and consultancy services to a related company, Golden Myanmar Sea Company Ltd ("GMS Myanmar"), in Myanmar. GMS Myanmar and Golden Myanmar Sea (S) Pte Ltd. ("GMS Singapore") are owned by two Myanmar shareholders, one of whom is a Director of MDR Myanmar. GMS Myanmar was involved in the retail and distribution of mobile communication equipment in Myanmar, while GMS Singapore functioned as a buying house for GMS Myanmar.

In April 2014, MDR Golden Myanmar Sea Company Ltd ("MDR Golden") was set up to distribute prepaid cards in Mandalay, Myanmar. MDR Golden ceased their business operation in March 2017.

Although the Company does not own any of the equity shares of GMS Myanmar, GMS Singapore and MDR Golden, and consequently does not control any of the voting power of those shares, the Directors concluded that it has acquired control over these three entities via MDR Myanmar on the basis that the Group has the power to direct the relevant activities of these entities by appointment of key management personnel of each of the entities, has rights to variable returns from its involvement with these entities through the loan extended to GMS Singapore and the rights to receipt of management fees from each of these entities, and has the ability to affect those returns through its power over the entities. Accordingly, the financial position and results of GMS Myanmar, GMS Singapore and MDR Golden are included in the consolidated financial statements.

MDR Myanmar, GMS Myanmar and MDR Golden have ceased operations in 2017. As a result, these entities are presented as discontinued operations. GMS Singapore is currently dormant.

- (6) The Group does not intend to continue the Myanmar operations and has since ceased its operations. Management is currently obtaining the necessary approvals from Myanmar's authorities to proceed with their plan to liquidate these entities. Consequently, the Myanmar operations, held via the subsidiaries in Myanmar have been classified as discontinued operations since 31 December 2017.

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of Subsidiaries	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period \$'000	Accumulated NCI at the end of reporting period \$'000
31 December 2021:				
Golden Myanmar Sea Company Ltd	Myanmar	100%	-	(314)
Golden Myanmar Sea (S) Pte Ltd	Singapore	100%	-	(1,271)
31 December 2020:				
Golden Myanmar Sea Company Ltd	Myanmar	100%	19	(314)
Golden Myanmar Sea (S) Pte Ltd	Singapore	100%	2	(1,271)

There are no significant restrictions on the Group's ability to use or access assets and settle liabilities of the subsidiary with material non-controlling interests.

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

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For the financial year ended 31 December 2021

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of non-wholly owned subsidiaries that have material non-controlling interests (cont'd)

Summarised balance sheet

	Discontinued operations			
	Golden Myanmar Sea Company Ltd		Golden Myanmar Sea (S) Pte Ltd	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Assets	-	-	6	6
Liabilities	(314)	(314)	(1,277)	(1,277)
Net current liabilities	(314)	(314)	(1,271)	(1,271)
Non-current				
Assets	-	-	-	-
Liabilities	-	-	-	-
Non-current assets	-	-	-	-
Net liabilities	(314)	(314)	(1,271)	(1,271)

Summarised statement of comprehensive income

	Discontinued operations			
	Golden Myanmar Sea Company Ltd		Golden Myanmar Sea (S) Pte Ltd	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue	-	-	-	-
Income	-	19	-	2
Profit for the year	-	19	-	2
Other comprehensive loss	-	(1)	-	-
Total comprehensive income for the year	-	18	-	2

Summarised cash flows

	Discontinued operations			
	Golden Myanmar Sea Company Ltd		Golden Myanmar Sea (S) Pte Ltd	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net cash outflow	-	-	-	(5)

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For the financial year ended 31 December 2021

18. INVESTMENT IN AN ASSOCIATE

	Group	
	2021 \$'000	2020 \$'000
Unquoted equity shares, at cost	15	15
Share of post-acquisition profit	16	11
Exchange differences	(1)	(1)
	30	25

Details of the associate are as follows:

Associate	Country of incorporation and operations	Principal activity	Proportion of ownership interest	
			2021 %	2020 %
Pixio United Sdn. Bhd. (formerly known as United Pixio Sdn Bhd) ⁽¹⁾	Malaysia	Media ownership and provision of large format digital inkjet printing	50	50

⁽¹⁾ Audited by Crowe Malaysia PLT.

On 14 November 2014, Pixio Sdn Bhd ("Pixio") and UBP Printing Sdn Bhd ("UBP") signed a Joint Venture Agreement to incorporate a joint venture company ("JVC"), Pixio United Sdn. Bhd. (formerly known as United Pixio Sdn Bhd), under the laws of Malaysia as a private company limited by shares with each shareholder holding 50% interest. The JVC is in the business of media ownership and large format digital inkjet printing, and operates in Sabah, Sarawak and Kalimantan. The JVC was incorporated on 15 January 2015.

The Group owns 50% equity shares of the JVC. However, based on the contractual agreements between the Group and UBP, there is a call option giving UBP potential voting rights in excess of their existing 50% equity interest. Accordingly, the Directors have concluded that the Group does not have control or joint control over the JVC but has significant influence over the JVC by virtue of its right to appoint three out of six Directors to the board of the JVC; participation in the decisions about dividend distributions and provision of essential technical information.

On 29 July 2021, Pixio United Sdn. Bhd. changed its name from United Pixio Sdn Bhd to Pixio United Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

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18. INVESTMENT IN AN ASSOCIATE (CONT'D)

The summarised financial information of Pixio United Sdn. Bhd. (formerly known as United Pixio Sdn Bhd), based on its SFRS(I) financial statements including consolidation adjustments, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Group	
	2021 \$'000	2020 \$'000
<i>Summarised balance sheet</i>		
Non-current assets	-	-
Current assets	64	61
Total assets	64	61
Non-current liabilities	-	-
Current liabilities	(4)	(11)
Total liabilities	(4)	(11)
Net assets	60	50
Proportion of the Group's ownership	50%	50%
Group's share of net assets, representing carrying amount of investment	30	25
<i>Summarised statement of comprehensive income</i>		
Revenue	45	38
Profit after tax	11	9
Other comprehensive income	-	-
Total comprehensive income	11	9

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For the financial year ended 31 December 2021

19. INVESTMENT IN EQUITY SECURITIES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Quoted equity instruments, at fair value through other comprehensive income	77,152	88,196	77,152	88,196
Unquoted equity instruments, at fair value through profit and loss	1,699	-	1,699	-
	78,851	88,196	78,851	88,196

Investment in quoted equity instruments are held for medium to long-term strategic purposes. Accordingly, the Directors of the Company have elected to designate these investments in quoted equity instruments as at fair value through other comprehensive income as they believe that recognising short-term fluctuations in these investments' fair values in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The fair values of these securities are based on the quoted bid prices in an active market on the last market day of the financial year. Accordingly, these securities are classified under Level 1 of the fair value hierarchy. A net fair value increase of \$21,690,000 (2020: decrease of \$9,667,000) was recorded for the year.

During the year, the Company disposed \$51,262,000 equity instruments primarily for portfolio rebalancing and risk management which amongst others, to reduce leverage and diversity portfolio. The gain on disposal transferred to retained earnings amounted to \$4,746,000. The Company received dividend income amounted to \$461,000 from the disposed equity instruments during the year.

In April 2021, the Company subscribed for an unquoted equity security and entered into a put option arrangement giving the Company the option and right 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 till 5 January 2023 on 31 December 2021.

As at 31 December 2021, the unquoted equity investment and put options were valued at \$1,699,000 and \$225,000 respectively, resulting in a fair value gain on unquoted equity of \$658,000 and a fair value loss on the derivatives of \$234,000. The fair value gain and loss are presented in the consolidated financial statement within "other operating expenses". Details of the valuation technique and inputs used are disclosed in Note 37.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

20. INVESTMENT IN DEBT SECURITIES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Quoted debt securities, at amortised cost	26,600	31,905	26,600	31,905
Quoted debt securities, at fair value through other comprehensive income	23,572	-	23,572	-
Less: loss allowance on investment in debt securities	(8,471)	(19,017)	(8,471)	(19,017)
	41,701	12,888	41,701	12,888
Analysed as:				
Current	21,334	12,888	21,334	12,888
Non-current	20,367	-	20,367	-
	41,701	12,888	41,701	12,888

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

The average effective interest rate of the quoted debt securities is 4.75% (2020: 5.90%) per annum.

For quoted debts securities at fair value through other comprehensive income, the fair values of these securities are based on the quoted bid prices in an active market on the last market day of the financial year. Accordingly, these securities are classified under Level 1 of the fair value hierarchy. A net fair value increase of \$6,025,000 (2020: \$Nil) was recorded for the year.

As at 31 December 2021, the quoted debt securities have nominal values amounting to \$87.9 million (2020: \$32.5 million), with coupon rates ranging from 4.75% to 11.50% (2020: 4.75% to 7.15%) per annum and mature in 2022 and 2023.

The following table shows the movement in expected credit loss that has been recognised for the respective financial assets.

Group and Company	Total \$'000
Balance as at 1 January 2020	1,851
Net increase in loss allowance arising from new financial instruments recognised in current year, net of those derecognised upon settlement	17,166
Balance as at 31 December 2020	19,017
Net decrease in loss allowance arising from new financial instruments recognised in current year, net of those derecognised upon settlement	(10,546)
Balance as at 31 December 2021	8,471

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

20. INVESTMENT IN DEBT SECURITIES (CONT'D)

As at 31 December 2020, management had assessed that there was a significant increase in credit risk for a particular debt security, Tsinghua bond which has been carried at amortised cost and management had determined that an allowance of \$19,017,000 was required.

During the year, Tsinghua announced a restructuring proposal that shows favourable recovery options to the bondholder, and accordingly a reversal of loss allowance of \$10,546,000 was recorded. Management has considered the last broker quoted price of the bond as at 31 December 2021 as a good proxy of the recoverable amount after taking into consideration the financial position of the issuer, the interest rate and estimated credit loss between the face value and broker quoted price for the bond to determine the recoverable amount of the bond.

For investment in debt securities designated as fair value through other comprehensive income, management had provided an allowance of \$9,126,000 on debt securities that have been assessed with a significant increase in credit risk. The loss allowance is estimated based on the difference between expected recovery and carrying value of the bonds and the loss allowance will be charged to other comprehensive income.

The net reversal loss allowance on debt securities of \$1,420,000 is presented in the consolidated financial statement within "other operating expenses".

During the year, the Company has redeemed and disposed \$6,032,000 of debt securities upon maturity for a consideration of \$6,053,000. The disposal is due to corporate restructuring where the bond issuer requested for early redemption. The Company recognised a gain on disposal of debt securities amounted to \$21,000, presented in the consolidated financial statement within "other operating income".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21. PROPERTY, PLANT AND EQUIPMENT

Group	Computers and computer system \$'000	Other plant and equipment \$'000	Motor vehicles \$'000	Furniture, fittings and renovation \$'000	Total \$'000
Cost:					
At 1 January 2020	2,788	4,920	1,324	2,559	11,591
Additions	165	96	-	108	369
Exchange differences	(1)	(15)	-	4	(12)
Disposals/write-off	(213)	(310)	(99)	(714)	(1,336)
Reclassification	-	16	-	(16)	-
At 31 December 2020	2,739	4,707	1,225	1,941	10,612
Additions	512	25	646	33	1,216
Exchange differences	(2)	(37)	(2)	2	(39)
Disposals/write-off	(79)	(476)	(214)	(127)	(896)
At 31 December 2021	3,170	4,219	1,655	1,849	10,893
Accumulated depreciation:					
At 1 January 2020	1,624	3,899	929	1,729	8,181
Depreciation	404	510	70	426	1,410
Exchange differences	-	(5)	-	(1)	(6)
Disposals/write-off	(123)	(282)	(54)	(555)	(1,014)
At 31 December 2020	1,905	4,122	945	1,599	8,571
Depreciation	367	289	116	176	948
Exchange differences	(2)	(46)	(1)	1	(48)
Disposals/write-off	(42)	(443)	(211)	(91)	(787)
At 31 December 2021	2,228	3,922	849	1,685	8,684
Impairment:					
At 1 January 2020	-	-	-	90	90
Exchange differences	-	-	-	7	7
Additions	-	-	-	137	137
Write off	-	-	-	(88)	(88)
At 31 December 2020	-	-	-	146	146
Exchange differences	-	-	-	(1)	(1)
Additions	-	-	-	1	1
Write off	-	-	-	(35)	(35)
At 31 December 2021	-	-	-	111	111
Carrying amount:					
At 31 December 2021	942	297	806	53	2,098
At 31 December 2020	834	585	280	196	1,895

Certain of the Group's plant and equipment with carrying amount of \$64,000 (2020: \$133,000) and motor vehicles with carrying amount of \$576,000 (2020: \$91,000) are under hire purchase loan arrangements with financial institutions (Note 29).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

21. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Computers and computer system \$'000	Other plant and equipment \$'000	Motor vehicles \$'000	Furniture, fittings and renovation \$'000	Total \$'000
Company					
Cost:					
At 1 January 2020	1,539	132	756	209	2,636
Additions	23	-	-	1	24
Disposals/write-off	(2)	(1)	-	-	(3)
At 31 December 2020	1,560	131	756	210	2,657
Additions	5	-	525	-	530
Disposals/write-off	-	(2)	(213)	-	(215)
At 31 December 2021	1,565	129	1,068	210	2,972
Accumulated depreciation:					
At 1 January 2020	757	54	640	96	1,547
Depreciation	210	20	31	46	307
Disposals/ Write-off	(1)	(1)	-	-	(2)
At 31 December 2020	966	73	671	142	1,852
Depreciation	197	18	78	37	330
Disposals/write-off	-	(2)	(211)	-	(213)
At 31 December 2021	1,163	89	538	179	1,969
Carrying amount:					
At 31 December 2021	402	40	530	31	1,003
At 31 December 2020	594	58	85	68	805

The Company's other plant and equipment with carrying amount of \$20,000 (2020: \$29,000) and motor vehicles with carrying amount of \$530,000 (2020: \$76,000) are under hire purchase loan arrangements with financial institutions (Note 29).

During the financial year, the Group undertook an assessment on the recoverable amounts of certain underperforming stores. As a result of the assessment, the Group recorded impairment charges of \$1,000 and \$231,000 (2020: plant and equipment: \$137,000, right-of-use: \$485,000) in respect of plant and equipment and right of use assets of its underperforming stores.

The impairment loss was recognised as the estimated recoverable amount using value in use calculation. The pre-tax discount rates used in the cash flow projections range from 8.7% to 15.02%, and the long-term growth rate used is 2.08%.

The impairment charge is presented in the consolidated financial statement within "other operating expenses".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. RIGHT-OF-USE-ASSETS

The Group leases several leasehold land and building, leasehold premises and plant and equipment. The leased term for leasehold land and building is 48 years (2020: 49 years) while the average lease term for leasehold premises and plant and equipment is 2 to 3 years (2020: 2 to 3 years).

	Leasehold land and building \$'000	Leasehold premises \$'000	Plant and equipment \$'000	Total \$'000
Group				
Cost:				
At 1 January 2020	7,602	10,011	119	17,732
Exchange differences	(14)	28	-	14
Additions	618	3,188	-	3,806
Disposals/write-off	-	(4,037)	-	(4,037)
At 31 December 2020	8,206	9,190	119	17,515
Exchange differences	(107)	6	(2)	(103)
Additions	-	6,721	-	6,721
Disposals/write-off	-	(1,897)	-	(1,897)
Reclassification (Note 23)	(8,099)	-	-	(8,099)
At 31 December 31 2021	-	14,020	117	14,137
Comprising:				
At 31 December 2021				
At cost	-	14,020	117	14,137
At valuation	-	-	-	-
Comprising:				
At 31 December 2020				
At cost	-	9,190	119	9,309
At valuation	8,206	-	-	8,206
Accumulated depreciation:				
At 1 January 2020	331	3,665	24	4,020
Exchange differences	-	4	-	4
Depreciation	146	3,254	24	3,424
Disposals/write-off	-	(2,256)	-	(2,256)
Elimination on revaluation	(477)	-	-	(477)
At 31 December 2020	-	4,667	48	4,715
Exchange differences	(4)	7	(1)	2
Depreciation	153	3,971	23	4,147
Disposals/write-off	-	(1,780)	-	(1,780)
Elimination on revaluation	(149)	-	-	(149)
At 31 December 2021	-	6,865	70	6,935

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. RIGHT-OF-USE-ASSETS (CONT'D)

	Leasehold land and building \$'000	Leasehold premises \$'000	Plant and equipment \$'000	Total \$'000
Group				
Impairment:				
At 1 January 2020	-	477	-	477
Exchange differences	-	8	-	8
Additions	-	485	-	485
Reversal	-	(258)	-	(258)
Write-off	-	(179)	-	(179)
At 31 December 2020	-	533	-	533
Exchange differences	-	1	-	1
Additions	-	231	-	231
Write-off	-	(117)	-	(117)
At 31 December 2021	-	648	-	648
Carrying amount:				
At December 31, 2021	-	6,507	47	6,554
At December 31, 2020	8,206	3,990	71	12,267

Details of impairment assessment is disclosed under Note 21.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. RIGHT-OF-USE-ASSETS (CONT'D)

During the year, revaluation gain amounted to \$149,000 (2020: \$1,095,000) is recognised in the property revaluation reserve. Details of the property revaluation reserve movement are disclosed in Note 33. If the leasehold land and properties were measured using the cost model, the carrying amounts would be as follows:

	2021 \$'000	2020 \$'000
Cost		
Beginning balance	6,424	6,439
Addition	-	-
Exchange difference	(80)	(15)
	6,344	6,424
Accumulated depreciation		
Beginning balance	(431)	(309)
Charge for the year	(122)	(123)
Exchange difference	4	1
	(549)	(431)
Carrying amount	5,795	5,993

The leasehold land and building are classified as investment property as at 31 December 2021. Details of the investment property are disclosed in Note 23.

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22. RIGHT-OF-USE-ASSETS (CONT'D)

The Company leases several leasehold premises. The average lease term is 3 years (2020: 3 years).

	Leasehold premises \$'000
Company	
Cost:	
At 1 January 2020	1,181
Additions	1,749
At 31 December 2020	2,930
Additions	91
At 31 December 2021	3,021
Accumulated depreciation:	
At 1 January 2020	654
Depreciation	645
At 31 December 2020	1,299
Depreciation	711
At 31 December 2021	2,010
Carrying amount:	
At 31 December 2021	1,011
At 31 December 2020	1,631

23. INVESTMENT PROPERTY

	Group	
	2021 \$'000	2020 \$'000
Leasehold land and building		
At January 1	-	-
Reclassification from right-of-use assets due to change in use (Note 22)	8,099	-
At December 31	8,099	-

There is 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 is classified from right-of-use assets to investment property carried at fair value.

NOTES TO THE FINANCIAL STATEMENTS

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23. INVESTMENT PROPERTY (CONT'D)

Details of the leasehold land and building as at 31 December 2021 and 2020 are as follows:

Description and location	Tenure	Unexpired lease term	Existing use	Professional valuer	Valuation techniques
Held by subsidiary, Pixio Sdn. Bhd.					
No. 32, Jalan 51A/223, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia	99-year leasehold, expiring on 9 July 2069	48 years	Office and factory	Jones Lang Wootton	Comparison method and depreciated replacement cost method

The investment property is pledged to the bank for loan facilities granted to the subsidiary.

Rental income and direct operating expenses arising from investment property are as follows:

	Group 2021 \$'000
Rental income	(37)
Direct operating expenses	12

Fair value measurement of the Group's leasehold land and building

The fair value measurements were performed by independent valuer, Jones Lang Wootton, not connected with the Group, who have appropriate qualifications and recent experience in the fair value measurement of the property in the relevant location.

In estimating the fair value of the leasehold land and building, the highest and best use is to sell the property. Details of the valuation technique and inputs used are disclosed in Note 37.

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. 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 on 31 December 2021 and the amount has been reclassified to non-current assets under "Convertible loan".

The Group measures the convertible loan at fair value through profit or loss. As at 31 December 2021, the convertible loan was valued at \$2,010,000, resulted in a fair value gain of \$510,000. Details of the valuation technique and inputs used are disclosed in Note 37.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

25. GOODWILL

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill which had been allocated and fully impaired in the previous years are follows:

	Group	
	2021 \$'000	2020 \$'000
Mobile communication devices (comprised several CGUs):		
Distribution management solutions businesses and related assets	8,672	8,672
Digital Inkjet Printing for Out-Of-Home Advertising Solutions:		
Pixio Sdn. Bhd. (single CGU)	2,798	2,798
	11,470	11,470

The Group tested goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the specific risks.

In 2019, goodwill was impaired in full, as the carrying amount of the CGU exceeded the recoverable amount, due to the decrease in revenue and reduced gross margin achieved by the CGU, which affects the future profitability projections for DPAS business.

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26. BANK OVERDRAFTS AND LOANS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Secured - at amortised costs</u>				
Bank overdrafts	23,606	15,504	23,606	15,504
Bank loans	11,892	10,048	8,575	6,374
	35,498	25,552	32,181	21,878
<u>Unsecured - at amortised costs</u>				
Bank loans	4,801	5,000	4,801	5,000
Trust receipts	-	1,000	-	-
	4,801	6,000	4,801	5,000
Total	40,299	31,552	36,982	26,878
Analysed as:				
Current	36,704	26,849	33,387	22,175
Non-current	3,595	4,703	3,595	4,703
	40,299	31,552	36,982	26,878

Bank overdrafts are repayable on demand, carry interest at 1.05% to 8.50% (2020: 1.08%), and are secured by a charge over certain equity and debt securities of the Group.

Below are the bank loans details:

- Loans of \$8.57 million (2020: \$6.38 million) advanced for the purchase of equity and debt securities. The loans carry interest at the Bank's cost of funds plus 0.50% per annum (2020: 0.50% per annum) and have a maturity of one to seven days. The loans are secured by a charge over certain of the Group's equity and debt securities.
- An unsecured term loan of \$1.92 million (2020: \$2.00 million) was advanced for working capital requirements. The loan carries interest at 2.50% per annum and to be repaid over a period of 5 years until September 2025.
- An unsecured term loan of \$2.88 million (2020: \$3.00 million) was advanced for working capital requirements. The loan carries interest at 2.75% per annum and to be repaid over a period of 5 years until September 2025.
- A term loan of \$3.32 million (2020: \$3.67 million) was advanced in February 2017. Repayments commenced in March 2017 and to be repaid over a period of 15 years until February 2032. The loan carries interest at Effective Cost of Funds ("ECOF") plus 1.25% per annum. The loan is secured by a charge over the Group's property (Note 23) and corporate guarantee from the Company (Note 35).⁽¹⁾
- The trust receipts are repayable within 90 days. The trust receipts were advanced in December 2020 and were repaid in March 2021. Fixed interest rates of 1.67% per annum are charged on the trust receipts and the trust receipts are guaranteed by the Company. The trust receipts have expired during the year.

(1) Due to the existence of a callable clause in the term loan facility agreement, the non-current portion of the loan was presented as a current liability.

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26. BANK OVERDRAFTS AND LOANS (CONT'D)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2021 \$'000	Financing cash flow ⁽ⁱ⁾ \$'000	New lease liabilities \$'000	Non-cash changes		31 December 2021 \$'000
				Foreign exchange movement \$'000	Other changes ⁽ⁱⁱ⁾ \$'000	
Bank overdrafts and loans	31,552	8,835	-	(88)	-	40,299
Lease liabilities from landlords (Note 29)	4,764	(4,061)	6,721	-	(135)	7,289
Lease liabilities from financial institutions (Note 29)	222	(244)	202	(2)	-	178

	1 January 2020 \$'000	Financing cash flow ⁽ⁱ⁾ \$'000	New lease liabilities \$'000	Non-cash changes		31 December 2020 \$'000
				Foreign exchange movement \$'000	Other changes ⁽ⁱⁱ⁾ \$'000	
Bank overdrafts and loans	58,155	(27,118)	-	515	-	31,552
Lease liabilities from landlord (Note 29)	6,999	(3,627)	3,188	11	(1,807)	4,764
Lease liabilities from financial institutions (Note 29)	457	(235)	-	-	-	222

(i) The cash flows comprised the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(ii) Other changes include disposal and write off of lease liabilities

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

27. TRADE PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Third parties	8,820	11,703	1,169	1,317

Trade payables principally comprise amounts outstanding for trade purchases.

The average credit period on purchase of goods is 30 days (2020: 30 days). The Group and the Company have put in place financial risk management policies to ensure that all payables are within the credit timeframe.

28. OTHER PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
		Restated		
Third parties	279	1,003	82	317
Accrued staff costs	3,440	547	3,181	222
Accrued expenses	2,516	1,614	1,137	478
Rebate liability	-	255	-	-
Deferred income	2,971	-	-	-
Deferred grant income	-	543	-	124
Subsidiaries	-	-	255	255
	9,206	3,962	4,655	1,396
Analysed as:				
Current	8,195	3,962	4,655	1,396
Non-current	1,011	-	-	-
	9,206	3,962	4,655	1,396

Accrued staff costs relate to accruals for commission, bonus and defined contribution retirement benefit plans, bonus and commission.

Rebate liability relates to marketing rebates received designated for cost down of inventories.

Deferred income includes rental support from vendor, of which \$1,011,000 is recognised as non-current. During the year, the Group and one of its vendors signed an agreement to collaborate in two of the retail stores operations. As part of the collaboration, it was agreed that the vendor would provide rental support to the Group over the course of the lease period which expired in 2024. Rental support is recognised in other income on the monthly basis over the lease period.

In 2020, the Group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Grant income is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty for the entities under the Group to be 14 and 17 months commencing from April 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

29. LEASES

Group as a lessee

The Group has lease contracts for retail outlets and plant and equipment. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases with lease terms of 12 months or less and the Group has applied the "short-term lease" recognition exemption for these leases.

(a) *Right-of-use assets*

The carrying amounts of right-of-use assets and the movements during the year are disclosed in Note 22.

(b) *Lease liabilities from landlords and financial institutions*

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 26 and maturity analysis of the lease liabilities is disclosed in Note 38.

(c) *Amounts recognised in profit or loss*

	Group	
	2021 \$'000	2020 \$'000
Depreciation of right-of-use assets	4,147	3,424
Interest expense on lease liabilities	366	285
Interest on lease liabilities from financial institutions	14	13
Lease expenses not capitalised in lease liabilities		
- Expenses relating to short-term leases	301	943
COVID-19-related rent concessions	(159)	(548)
Total amount recognised in profit or loss	4,669	4,117

(d) *Total cash outflow*

The Group had total cash outflows for leases of \$4,447,000 in 2021 (2020: \$4,257,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

29. LEASES (CONT'D)

Group as a lessee (cont'd)

(e) *Extension options*

The Group has several lease contracts that includes extension options. The options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

	Group		Total \$'000
	Within five years \$'000	More than five years \$'000	
31.12.2021			
Extension options expected not to be exercised	1,854	-	1,854
31.12.2020			
Extension options expected not to be exercised	2,031	-	2,031

Group as lessor

During the year, the Group has entered into operating lease on its investment property (Note 23). These non-cancellable leases have remaining lease terms of 3 years.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period are as follows:

	Group 2021 \$'000
Not later than one year	447
Later than one year but not later than five years	857
Later than five years	-
Total amount recognised in profit or loss	1,304

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

30. DEFERRED TAX

	Accelerated tax depreciation \$'000	Revaluation of land and buildings \$'000	Unutilised tax losses \$'000	Others \$'000	Total \$'000
Group					
At 1 January 2020	118	249	(116)	(72)	179
(Credit)/charge to profit or loss (Note 10):					
Current year	(220)	-	(7)	-	(227)
(Over)/under provision in respect of prior years	(84)	-	92	72	80
Charge to other comprehensive income (Note 33)	-	263	-	-	263
Exchange differences	(23)	-	-	-	(23)
At 31 December 2020	(209)	512	(31)	-	272
(Credit)/charge to profit or loss (Note 10):					
Current year	(6)	-	-	-	(6)
Under provision in respect of prior years	111	-	31	-	142
Charge to other comprehensive income (Note 33)	-	36	-	-	36
Exchange differences	(5)	-	-	-	(5)
At 31 December 2021	(109)	548	-	-	439

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

30. DEFERRED TAX (CONT'D)

	Accelerated tax depreciation \$'000	Unutilised tax losses \$'000	Others \$'000	Total \$'000
Company				
At 1 January 2020	-	(116)	(9)	(125)
Credit to profit or loss for the year	(19)	(7)	-	(26)
(Over)/under provision in respect of prior years	(92)	92	9	9
At 31 December 2020	(111)	(31)	-	(142)
Under provision in respect of prior years	111	31	-	142
At 31 December 2021	-	-	-	-

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deferred tax liabilities	439	414	-	-
Deferred tax assets	-	(142)	-	(142)
	439	272	-	(142)

As at 31 December 2021, the Group has unutilised tax losses, capital allowances and other temporary differences of approximately \$14,438,000 (2020: \$10,022,000) that are available for offset against future taxable profits, for which no deferred tax assets are recognised on these amounts due to uncertainty of their utilisation. The tax losses have no expiry date.

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 40).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. SHARE CAPITAL

	Group and Company			
	2021	2020	2021	2020
	Number of ordinary shares		\$'000	\$'000
Issued and paid up:				
At beginning of year	907,077,553	90,707,739,719	154,455	154,455
Adjustment for share consolidation	-	(89,800,662,166)	-	-
Capital reduction	-	-	(31,179)	-
At end of year	907,077,553	907,077,553	123,276	154,455

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

Pursuant to the Offer Information Statement dated 22 May 2018, the Company issued rights shares with free detachable warrants, each warrant carrying the right to subscribe for 1 new ordinary share in the capital of the Company for each warrant share, on the basis of 2 rights shares for every 1 share held by the shareholders and 9 warrants (comprising 3 Tranche 1 warrants, 3 Tranche 2 warrants and 3 Tranche 3 warrants) for every 1 rights share validly subscribed.

On 4 June 2020, the Company announced the proposed share consolidation exercise pursuant to which the Company will consolidate every hundred existing issued ordinary shares registered in the name of each shareholder into one consolidated ordinary share ("Proposed Share Consolidation"). Accordingly, the outstanding number of warrants pursuant to the exercise of warrants granted will also be adjusted.

The Proposed Share Consolidation was approved by Shareholders at the EGM of the Company held on 29 June 2020. The Proposed Share Consolidation was completed and became effective from 28 July 2020.

Prior to the Share Consolidation Effective Date, the issued share capital of the Company comprised 90,707,739,719 existing shares, and from the Share Consolidation Effective Date, the issued share capital of the Company comprises 907,077,553 consolidated shares, after taking into consideration of fractions of consolidated shares arising from the share consolidation. The share capital remains unchanged at \$154,455,000 in 2020.

In 2021, a capital reduction exercise was carried out by the Company, reducing the issued and fully paid-up share capital of the Company from \$154,455,000 to \$123,276,000. Subsequent to the EGM approval on 22 October 2021, the exercise was completed and announced on 10 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. SHARE CAPITAL (CONT'D)

Warrants

On 18 June 2018, the Company issued 149,196,713,931 warrants and these warrants were subsequently listed on the SGX-ST on 22 June 2018. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company. The number of shares that may be issued on conversion of the Group's outstanding warrants as at 31 December 2021 (after the completion of share consolidation and warrant adjustment) is as follows:

	2021 \$'000	2020 \$'000
Tranche 3 warrants, \$0.70 per warrant expiring on 17 June 2021	-	497,322,345

Prior to the Warrant Adjustment Effective Date, the Company had 49,732,237,977 unexercised warrants, and with effect from the Warrant Adjustment Consolidation Effective Date, the Company has 497,322,345 unexercised adjusted warrants, after taking into consideration of fractions of Consolidated adjusted warrants arising from the warrant adjustment.

As at 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 2021 and as at 31 December 2020, no share award had been granted.

32. TREASURY SHARES

	Group and Company			
	2021 Number of ordinary shares	2020	2021 \$'000	2020 \$'000
At beginning of year	19,689,283	14,510,100	1,908	15
Adjustment for share consolidation (Note 31)	-	(14,364,999)	-	-
Repurchased during the year	11,635,700	19,544,182	915	1,893
At end of year	31,324,983	19,689,283	2,823	1,908

The Company acquired 11,635,700 (2020: 19,544,182) of its own shares through purchases on the Singapore Exchange during the year. The amount paid to acquire the shares was \$915,000 (2020: \$1,893,000) and has been deducted from shareholders' equity. The shares are held as treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

33. OTHER RESERVES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Capital reserve (a)	556	556	22	22
Investment revaluation reserve (b)	5,433	(17,536)	5,433	(17,536)
Property revaluation reserve (c)	1,696	1,583	-	-
Foreign currency translation reserve (d)	(46)	66	-	-
Premium on acquisition of non-controlling interest (e)	(881)	(881)	-	-
	6,758	(16,212)	5,455	(17,514)

(a) Capital reserve

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Redemption of convertible redeemable preference shares	22	22	22	22
Waiver of loan from related party	534	534	-	-
	556	556	22	22

(b) Investment revaluation reserve

The investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments and debts securities designated as at fair value through comprehensive income, net of cumulative gain/loss transferred to retained earnings upon disposal. The movement in the investment revaluation reserve is as follows:

	Group and Company	
	2021 \$'000	2020 \$'000
At 1 January	(17,536)	(8,479)
Fair value gain on investments in equity instruments	21,690	(9,667)
(Gain)/loss on investment in equity instruments transferred to retained earnings upon disposal	(4,746)	610
Fair value gain on investments in debt securities	6,025	-
At 31 December	5,433	(17,536)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

33. OTHER RESERVES (CONT'D)

(c) Property revaluation reserve

The property revaluation reserve arises on the revaluation of leasehold land and building. Where revalued leasehold land and buildings are sold, the portion of the property revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings. Items of other comprehensive income included in the property revaluation reserve will not be reclassified subsequently to profit or loss.

The revaluation reserves are not available for distribution to the Company's shareholders.

The movement in the property revaluation reserve are as follows:

	Group	
	2021 \$'000	2020 \$'000
At 1 January	1,583	751
Revaluation changes during the year in other comprehensive income (Note 22)	149	1,095
Related income tax in other comprehensive income (Note 30)	(36)	(263)
At 31 December	1,696	1,583

(d) Foreign currency translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of foreign currency translation reserve.

The movement in the foreign currency translation reserve are as follows:

	Group	
	2021 \$'000	2020 \$'000
At 1 January	66	39
Changes during the year in other comprehensive income	(112)	27
At 31 December	(46)	66

(e) Premium on acquisition of non-controlling interest

	Group	
	2021 \$'000	2020 \$'000
Effect of acquiring part of non-controlling interest in a subsidiary	(881)	(881)
	(881)	(881)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

34. 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 year, the Group entered into the following related party transactions:

	Group	
	2021 \$'000	2020 \$'000
<u>Nature of transactions</u>		
<i>Transactions with companies owned by common Directors:</i>		
Rental payments	342	339
<i>Transactions with related parties (Directors of wholly owned subsidiaries):</i>		
Sales of goods	(48)	(153)
Rental income	(4)	-

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

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.

Compensation of Directors and key management personnel

The remuneration of Directors and other members of key management during the year were as follows:

	Group	
	2021 \$'000	2020 \$'000
Short-term benefits	3,731	3,922
Post-employment benefits	111	131
	3,842	4,053

The remuneration of Directors and key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35. COMMITMENTS AND CONTINGENCIES

The Group has provided the following guarantees at the end of the reporting period:

- (a) A subsidiary has issued a corporate guarantee amounting to \$1,000,000 (2020: \$1,000,000) in favour of an equipment principal for a supply agreement entered into by a related company.
- (b) A subsidiary has outstanding banker's guarantees amounting to \$1,000,000 (2020: \$1,000,000) issued in favour of one operator (2020: one operator), entered in the normal course of business and under supply agreements.
- (c) The Company has issued a corporate guarantee amounting to \$182,000 (2020: \$182,000) to secure a hire purchase loan on vehicle entered into by the Company.
- (d) The Company has issued a corporate guarantee amounting to \$4,665,000 (2020: \$4,724,000) to secure term loans (Note 26) on the purchase of land and building entered into by a subsidiary.
- (e) The Company has outstanding banker's guarantee amounting to \$250,000 (2020: \$Nil) issued in favour of one operator for a distribution licence agreement entered into by a related company.
- (f) The Company has outstanding banker's guarantee amounting to \$318,000 (2020: \$Nil) issued in favour of one lessor for a lease agreement of a retail outlet, entered into by a related company.

36. FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
		Restated		
Financial assets				
Financial instruments at fair value through other comprehensive income	100,724	88,196	100,724	88,196
Financial instruments at fair value through profit and loss	3,934	1,500	3,934	1,500
Amortised cost (including cash and cash equivalents)	88,438	50,103	68,759	39,149
	193,096	139,799	173,417	128,845
Financial liabilities				
Amortised cost	54,314	45,456	42,239	29,331

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

37. FAIR VALUE OF ASSETS AND LIABILITIES

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(a) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value by level at the end of the reporting period:

	2021			Total \$'000
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
Group and Company				
Assets measured at fair value				
Financial assets:				
<u>Financial instruments at fair value through other comprehensive income</u>				
Quoted equity instruments	77,152	–	–	77,152
Quoted debt securities	23,572	–	–	23,572
<u>Financial instruments at fair value through profit and loss</u>				
Unquoted equity instruments	–	–	1,699	1,699
Derivative assets	–	–	225	225
Convertible loan	–	–	2,010	2,010
Financial assets as at 31 December 2021	100,724	–	3,934	104,658
Group				
Non-financial assets:				
Investment properties	–	–	8,099	8,099
Non-financial assets as at 31 December 2021	–	–	8,099	8,099

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) *Assets and liabilities measured at fair value (cont'd)*

	2020			Total \$'000
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
Group and Company				
Assets measured at fair value				
Financial assets:				
<u>Financial instruments at fair value through other comprehensive income</u>				
Quoted equity instruments	88,196	-	-	88,196
<u>Financial instruments at fair value through profit and loss</u>				
Convertible loan	-	-	1,500	1,500
Group				
Financial assets as at 31 December 2020				
	88,196	-	1,500	89,696
Non-financial assets:				
Leasehold land and building	-	-	8,206	8,206
Non-financial assets as at 31 December 2020				
	-	-	8,206	8,206

Level 1 fair value

Quoted equity instruments and debt securities (Note 19 and 20): Fair value is determined by direct reference to their bid price quotations in an active market at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) *Assets and liabilities measured at fair value (cont'd)*

Level 3 fair value measurements

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurement using significant unobservable inputs (Level 3).

Description	Fair value		Unobservable inputs	Range
	31.12.2021	Valuation techniques		
<i>Recurring fair value measurements</i>				
Unquoted equity instruments	1,699	Market-based approached	Transacted share price	\$0.0038 - \$0.0063 per shares
Derivative assets	225	Option pricing model	Transacted share price	\$0.0038 - \$0.0063 per shares
			Volatility of the share price	69.2% - 89.1%
			Discount rates	0.286% - 0.598%
Convertible loan	2,010	Probability weighted expected return method	Probability weightage	30% to 70%
Investment properties	8,099	Comparison method	Average market price for comparable properties	\$89 to \$104 per square foot
			Depreciated replacement cost method	Cost range for buildings

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) *Assets and liabilities measured at fair value (cont'd)*

Level 3 fair value measurements (cont'd)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

Description	Fair value		Valuation techniques	Unobservable inputs	Range
	31.12.2020	as at			
<i>Recurring fair value measurements</i>					
Convertible loan	1,500		Probability weighted expected return method	Probability weightage	30% to 70%
Leasehold land and building	8,206		Comparison method	Transacted price of comparable properties	\$82 to \$147 per square foot
			Depreciated replacement cost method	Transacted price of comparable properties	\$60 to \$160 per square foot

Impact of a change in the inputs to the fair value

For unquoted equity securities and derivative assets, a significant increase (decrease) in the transacted share price, would result in a significantly higher (lower) fair value measurement.

For convertible loan, a significant increase (decrease) in the probability weightage of the liquidation event would result in a significantly higher (lower) fair value measurement.

For leasehold land and building and investment property, a significant increase (decrease) in the transacted price of comparable properties would result in a significantly higher (lower) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) *Assets and liabilities measured at fair value (cont'd)*

Level 3 fair value measurements (cont'd)

(ii) *Movements in Level 3 assets measured at fair value*

	Group and Company	
	Fair value measurement using significant unobservable inputs (level 3)	
	Unquoted equity instruments \$'000	Derivative assets \$'000
At 1 January 2021	-	-
Additions	1,041	459
Fair value changes during the year profit and loss	658	(234)
At December 31 2021	1,699	225

	Group and Company	
	Fair value measurement using significant unobservable inputs (level 3)	
	2021 \$'000	2020 \$'000
<u>Convertible loan</u>		
At 1 January	1,500	-
Additions	-	1,500
Fair value changes during the year profit and loss	510	-
At 31 December	2,010	1,500

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

37. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(a) *Assets and liabilities measured at fair value (cont'd)*

Level 3 fair value measurements (cont'd)

(ii) *Movements in Level 3 assets measured at fair value (cont'd)*

	Group	
	Fair value measurement using significant unobservable inputs (level 3)	
	2021 \$'000	2020 \$'000
<u>Leasehold land and building</u>		
At 1 January	8,206	7,271
Depreciation	(153)	(146)
Revaluation changes during the year in other comprehensive income (Note 33)	149	1,095
Exchange difference	(103)	(14)
At 31 December	8,099	8,206

(iii) *Valuation policies and procedures*

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement* guidance. Management has discussions with the valuer on the valuation assumptions and valuation results when the valuation is performed at each annual reporting date.

(b) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

(i) *Cash and bank balances, trade and other receivables, trade and other payables*

The fair values of these financial instruments approximate their carrying amounts at the balance sheet date because of their short-term maturity.

(ii) *Bank overdrafts and loans, and lease liabilities*

The carrying amounts of the bank overdrafts and loans, and lease liabilities are an approximation of fair values as it is a floating rate instrument that is subjected to frequent repricing to market interest rates on or near the date of balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

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37. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

- (c) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value*

	Group			
	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Other receivables (non-current)	2,028	1,967	463	389

	Company			
	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Other receivables (non-current)	48	48	127	127

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Group. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. The key financial risks include foreign currency risk, interest rate risk, credit risk, liquidity risk and equity price risk. The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Foreign currency risk

The Group operates in Asia with dominant operations in Singapore and Malaysia. As a result, the Group is exposed to movements in foreign currency exchange rates arising from normal trading transactions. This risk is managed through natural hedges as revenue denominated in foreign currency is partly matched with corresponding costs in the same foreign currency.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Foreign currency risk (cont'd)

At the end of the reporting period, the significant carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group			
	Liabilities		Assets	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
United States Dollar	(16,400)	(6,469)	41,919	9,091
Malaysia Ringgit	-	-	1,053	1,488
Hong Kong Dollar	(7,836)	(15,504)	-	-
Singapore Dollar	(2,150)	(2,019)	281	390
Australian Dollar	(218)	-	-	-

	Company			
	Liabilities		Assets	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
United States Dollar	(16,288)	(6,308)	41,773	8,968
Malaysia Ringgit	-	-	1,053	1,488
Hong Kong Dollar	(7,836)	(15,504)	-	-
Australian Dollar	(218)	-	-	-

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Foreign currency risk (cont'd)

Foreign currency sensitivity (cont'd)

If the relevant foreign currency strengthens by 5% against the functional currency of each entity in the Group, profit before income tax will decrease (2020: loss before income tax will increase) by:

	US		Malaysia		Hong Kong		Singapore		Australian	
	Dollar impact		Ringgit impact		Dollar impact		Dollar impact		Dollar impact	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group										
Profit or loss	1,276	131	53	74	(392)	(775)	(93)	119	(11)	-
Company										
Profit or loss	1,274	133	53	74	(392)	(775)	-	-	(11)	-

The impact is mainly attributable to the exposure on outstanding loans and borrowings in the Group as at 31 December 2021.

If the relevant foreign currencies weaken by 5% against the functional currency of each entity in the Group, there will be an equal and opposite impact on profit before tax (2020: loss before tax).

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rates risk arises primarily from its loans and borrowings. The Group's policy is to maintain cash equivalents and borrowings in fixed and variable rate instruments.

Interest rate sensitivity

At 31 December 2021, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before income tax would decrease/increase by \$201,000 (2020: loss before income tax would increase/decrease by \$158,000).

At 31 December 2021, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before income tax ended 31 December 2021 would decrease/increase by \$185,000 (2020: loss before income tax would increase/decrease by \$134,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit risk

Credit risk refers to the risk that the Group's counterparties may default on its contractual obligations, resulting in financial loss to the Group. The major classes of financial assets of the Group are investment securities, cash and bank balances and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers with a sound credit history. For other financial assets (including investment securities), the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation taking into account of the counterparty's payment profile and credit exposure.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit risk (cont'd)

Significant increase in credit risk (cont'd)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit risk (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12 month expected credit loss
Doubtful	Amount is >180 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime expected credit loss - not credit-impaired
In default	Amount is >1 year past due or there is evidence indicating the asset is credit-impaired.	Lifetime expected credit loss - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit risk (cont'd)

Note 1 - Trade receivables

For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Note 2 - Other receivables

For the purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses.

In determining the ECL for other receivables, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Note 3 - Investment in debt securities

The Group measures ECL based on lifetime expected losses for debt securities which credit risk has increased significantly since initial recognition, and 12 month expected credit losses for debts securities which credit risk has not increased significantly since initial recognition. In evaluating the credit risk of the bond issuers, the Group assessed the historical default experience, financial position of the counterparties, credit rating, financial analyst reports and various external sources of actual and forecast economic information. The loss allowance is estimated based on the difference between expected recovery and carrying value of the debt securities.

Excessive risk concentration and exposure to credit risk

At the end of the reporting period, approximately 75% (2020: 50%) of the Group's trade receivables were due from 3 customers (2020: 4 customers).

Apart from this, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any other counterparty did not exceed 10% of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit risk (cont'd)

Note 3 - Investment in debt securities (cont'd)

Excessive risk concentration and exposure to credit risk (cont'd)

The credit risk on bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

Collateral held as security and other credit enhancements

With the exception of the loan to third parties as set out in Note 14 to the financial statements, the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. Hence, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group and the Company has determined the default event on a financial asset to be when the counterparty fails to make contractual payment when they fall due, based on the Group's and the Company's historical information.

The credit risk associated with the loan to third parties are mitigated in part because they were secured with the shares of the borrowers, mortgages on properties owned by the shareholders of the borrower or owned by the borrower and personal guarantees from the shareholders of the borrowers. The carrying amount of loan to third parties amounted to \$28,011,000 (2020: \$2,366,000), net of loss allowance of \$Nil (2020: \$Nil). Loss allowance for the loans was determined based on net realisable value of collaterals held for the loans to third parties.

(iv) Liquidity risk

Liquidity risk refers to the risk that the Group may have insufficient resources to meet its financial liabilities as they fall due. The Group's strategy to manage liquidity risk is to ensure that the Group has sufficient funds to meet its potential liabilities as they fall due. This strategy has not changed from prior periods.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's non-derivative financial liabilities at the end of the reporting period based on contractual undiscounted payments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The amounts included in the following table for financial guarantee contracts are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee (Note 36). Based on expectations at the end of the reporting period, the Group consider that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

	Carrying amount \$'000	Contractual cash flow \$'000	One year or less \$'000	One to five years \$'000
Group				
2021				
Bank loans	16,693	16,693	13,098	3,595
Bank overdrafts	23,606	23,606	23,606	-
Trade and other payables	14,015	14,015	14,015	-
Lease liabilities	7,289	7,579	4,624	2,955
Finance lease	178	189	93	96
Financial guarantee contracts	-	7,415	7,415	-
	61,781	69,497	62,851	6,646
	Carrying amount \$'000	Contractual cash flow \$'000	One year or less \$'000	One to five years \$'000
Group				
2020 (Restated)				
Bank loans	16,048	16,048	11,345	4,703
Bank overdrafts	15,504	15,504	15,504	-
Trade and other payables	13,904	13,904	13,904	-
Lease liabilities	4,764	5,000	2,506	2,494
Finance lease	222	229	205	24
Financial guarantee contracts	-	7,693	7,693	-
	50,442	58,378	51,157	7,221

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	Carrying amount \$'000	Contractual cash flow \$'000	One year or less \$'000	One to five years \$'000
Company				
2021				
Bank loans	13,376	13,376	9,781	3,595
Bank overdrafts	23,606	23,606	23,606	-
Trade and other payables	5,257	5,257	5,257	-
Lease liabilities	1,070	1,111	631	480
Finance lease	168	178	87	91
Financial guarantee contracts	-	5,415	5,415	-
	43,477	48,943	44,777	4,166
Company				
2020				
Bank loans	11,374	11,374	6,671	4,703
Bank overdrafts	15,504	15,504	15,504	-
Trade and other payables	2,453	2,453	2,453	-
Lease liabilities	1,740	1,849	738	1,111
Finance lease	40	41	28	13
Financial guarantee contracts	-	4,906	4,906	-
	31,111	36,127	30,300	5,827

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(v) Equity price risk

The Group is exposed to equity price risks arising from equity investments. Equity investments (Note 19) are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Equity price sensitivity

If equity prices had been 5% higher/lower:

- profit before income tax ended 31 December 2021 and loss before income tax ended 31 December 2020 would have been unaffected as the investments in equity instruments are designated as at FVTOCI; and
- other comprehensive income for the year ended 31 December 2021 would increase/decrease by \$3,858,000 (2020: \$4,410,000) as a result of the changes in fair value of the investments in equity instruments.

The Group's sensitivity to equity prices has not changed significantly from prior year.

39. SEGMENT INFORMATION

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

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

The Group reports information based on these four business segments to the Group's key operating decision makers for the purposes of resource allocation and assessment of the segment information.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D)

The following is an analysis of the Group's revenue and results by reportable segment:

	Continuing operations				Discontinued operations		Total \$'000
	AMS \$'000	DMS \$'000	DPAS \$'000	Investment \$'000	operations \$'000	Unallocated \$'000	
2021							
Segment revenue							
External	16,951	160,899	3,169	8,262	-	-	189,281
Inter-segment	-	-	-	-	-	-	-
	16,951	160,899	3,169	8,262	-	-	189,281
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
Profit before income tax and share of profit of associate							4,351
Share of profit of associate							5
Profit before income tax							4,356
Income tax expense							(229)
Profit for the year							4,127
Segment assets	8,889	53,106	11,177	150,799	343	-	224,314
Segment liabilities	(6,356)	(17,905)	(4,259)	(37,415)	-	(440)	(66,375)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D)

	Continuing operations				Discontinued		Total \$'000
	AMS	DMS	DPAS	Investment	operations	Unallocated	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2021							
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 of plant and equipment	329	373	246	–	–	–	948
Depreciation of 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 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D)

	Continuing operations				Discontinued		Total
	AMS	DMS	DPAS	Investment	operations	Unallocated	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020 (Restated)							
Segment revenue							
External	17,333	165,053	3,297	7,915	-	-	193,598
Inter-segment	-	-	-	-	-	-	-
	17,333	165,053	3,297	7,915	-	-	193,598
Segment result							
	992	(353)	(536)	(13,054)	134	15	(12,802)
Net foreign exchange loss							(321)
Gain on disposal of plant and equipment							78
Loss on disposal of right-of-use asset							(36)
Loss before income tax and share of profit of associate							(13,081)
Share of profit of associate							5
Loss before income tax							(13,076)
Income tax expense							(3)
Loss for the year							(13,079)
Segment assets							
	11,521	55,013	11,735	101,084	336	142	179,831
Segment liabilities							
	(4,201)	(16,711)	(4,555)	(26,878)	-	(423)	(52,768)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D)

	Continuing operations				Discontinued		Total \$'000
	AMS \$'000	DMS \$'000	DPAS \$'000	Investment \$'000	operations \$'000	Unallocated \$'000	
2020 (Restated)							
Other segment information							
Capital expenditure - property, plant and equipment	24	258	87	-	-	-	369
Capital expenditure - right-of-use assets	1,749	1,439	-	-	-	-	3,188
Loss allowance on investment in debt securities	-	-	-	17,166	-	-	17,166
Depreciation of plant and equipment	307	643	460	-	-	-	1,410
Depreciation of right-of-use assets	645	2,609	170	-	-	-	3,424
Allowance for impairment of right-of-use assets	-	227	-	-	-	-	227
Allowance for impairment of plant and equipment	-	137	-	-	-	-	137
Plant and equipment written off	-	88	-	-	-	-	88
Right-of-use assets written off	-	6	-	-	-	-	6
Allowance for inventories	174	1,265	49	-	-	-	1,488
Inventories written off	-	341	-	-	-	-	341
Loss allowance for trade receivables	2	-	298	536	-	-	836
Reversal of loss allowance for other receivables	-	-	-	(64)	-	-	(64)
Interest income (recorded under revenue)	-	-	-	(3,816)	-	-	(3,816)
Interest income (recorded under other operating income)	-	(1)	(12)	4	-	-	(9)
Interest expenses	46	268	162	616	-	-	1,092
Loss on disposal of investment in debt securities	-	-	-	252	-	-	252

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in 2021 and 2020.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of foreign exchange differences, gain on disposal of plant and equipment, (loss) gain on disposal of right-of-use assets, share of profit of associate and income tax expense. This is the measure reported to the key operating decision makers for the purposes of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources between segments, the key operating decision makers re-assess the resources allocation and monitor the financial assets attributable to each segment.

The key operating decision makers also monitor the tangible, intangible and financial assets attributable to each segment.

Geographical information

	Revenue from external customers	
	2021 \$'000	2020 \$'000 Restated
<u>Continuing Operations</u>		
Singapore	186,112	190,301
Malaysia	3,169	3,297
	189,281	193,598
<u>Discontinued Operations</u>		
Myanmar	-	-
	189,281	193,598

	Non-current assets	
	2021 \$'000	2020 \$'000
<u>Continuing Operations</u>		
Singapore	110,685	94,292
Malaysia	8,225	8,361
	118,910	102,653
<u>Discontinued Operations</u>		
Myanmar	341	335
	119,251	102,988

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

39. SEGMENT INFORMATION (CONT'D)

Geographical information (cont'd)

Information about major customers

Included in revenues arising from After-Market Services are revenues of \$14,501,000 (2020: \$13,776,000) which arose from sales to the segment's one major customer (2020: one major customer).

Included in revenues arising from Distribution Management Solutions are revenues of \$35,777,000 (2020: \$31,645,000) and \$Nil (2020: \$13,681,000) which arose from sales to the segment's one major customer (2020: two major customers).

Included in revenues arising from DPAS are revenues of \$99,000 (2020: \$328,000), \$630,000 (2020: \$225,000) and \$179,000 (2020: \$214,000) which arose from sales to the segment's three major customers (2020: three major customers).

40. DIVIDENDS

	Group and Company	
	2021	2020
	\$'000	\$'000
Proposed but not recognised as a liability as at 31 December:		
<i>Dividends on ordinary shares, subject to shareholders' approval at the AGM:</i>		
Final exempt (one-tier) dividend for 2021: 0.4567 cents (2020: nil cents) per share	4,000	-
At 31 December	4,000	-

41. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged from 2020.

The capital structure of the Group consists of net debt (borrowings and lease liabilities disclosed in Notes 26 and 29 after deducting cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings and non-controlling interests).

The Group's management reviews the capital structure on an on-going basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendation of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues or the redemption of existing debt.

The Group is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

42. PRIOR YEAR ADJUSTMENTS

The Group has restated the balance sheet as at 31 December 2020 and statement of comprehensive income for the year then ended to account for adjustments to the marketing rebates.

The Group received marketing rebates from either operators or principals. These rebates were given mainly for promotional events and volume rebates for inventories purchased. Previously, such rebates received from principals were utilised against marketing activities, testing and cost-down of inventories. During the current financial year-end, management has re-assessed the accounting treatment of these rebates. Accordingly, based on the nature of these rebates, they are recognised as incentive income in the period earned or as reduction to the purchase cost of inventories.

In addition, inventories amounting to \$261,000 relating to suspected misappropriations of assets (Note 44) were also written off.

Adjustments to the marketing rebates prior to 1 January 2020 are not material and they are collectively adjusted on 31 December 2020. The financial statements for the year ended 31 December 2020 have been restated as shown below:

Statement of financial position

	Previously reported 31.12.2020 \$'000	Prior year adjustments \$'000	As restated 31.12.2020 \$'000
Current assets			
Inventories	25,006	(23)	24,983
Current liabilities			
Other payables	5,312	(1,350)	3,962
Income tax payable	9	142	151
Equity attributable to owners of the Company			
Accumulated losses	(9,000)	1,156	(7,844)
Equity attributable to owners of the company	127,335	1,156	128,491
Non-controlling interests	(1,457)	29	(1,428)
Total Equity	125,878	1,185	127,063

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

42. PRIOR YEAR ADJUSTMENTS (CONT'D)

Statement of comprehensive income

	Previously reported 31.12.2020 \$'000	Prior year adjustments \$'000	As restated 31.12.2020 \$'000
Revenue			
- Sales of goods	128,009	(702)	127,307
- Incentive income	36,243	1,503	37,746
Cost of sales	(168,493)	787	(167,706)
Gross profit	24,304	1,588	25,892
Other operating expenses	(7,006)	(261)	(7,267)
Loss before tax	(14,525)	1,327	(13,198)
Income tax credit	145	(142)	3
Loss for the year from continuing operations	(14,380)	1,185	(13,195)
Loss for the year	(14,264)	1,185	(13,079)
Loss attributable to:			
Owners of the Company	(14,308)	1,156	(13,152)
Non-controlling interests	44	29	73

43. COMPARATIVE FIGURES

The financial statements for the financial year ended 31 December 2020 were audited by another firm of Chartered Public Accountants.

Certain comparative figures have been reclassified to conform with current year's presentation. As a result of the reclassification, the Group's other receivables reduced by \$7.7 million. Correspondingly, the Group's trade receivables and convertible loan ("non-current assets") increased by \$6.2 million and \$1.5 million accordingly.

The Company's other receivables reduced by \$3.9 million. Correspondingly, the Company's trade receivables and convertible loan ("non-current assets") increased by \$2.4 million and \$1.5 million accordingly.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

44. SUSPECTED MISAPPROPRIATION OF ASSETS

On 18 December 2021, it was announced that the Group has on 10 December 2021 and 13 December 2021 discovered two separate cases of suspected unauthorised use of the Group's marketing incentive rebates by 2 employees (referred to as "Relevant Persons"), comprising of rebates from the Group's principals which are typically used for marketing or promotional support, in its subsidiaries through the suspected unauthorised sale of handsets and phone accessories and misappropriation of proceeds from such sale ("suspected misappropriations").

Since the discovery of the suspected misappropriations, the Group has conducted internal investigations and has also engaged an independent audit firm to conduct forensic analysis and to review the internal controls and procedures on the use of the marketing incentive rebates.

Based on the internal investigations to-date, the aggregate cost of the suspected misappropriations amounted to approximately \$2,083,000 comprising of \$261,000 for 2020 and \$1,822,000 for 2021 have been charged to the Statement of Comprehensive Income as inventories being written off (Note 16).

As at the date of the financial statements, the investigation by the Commercial Affairs Department on the Relevant Persons is still on going. The investigation could uncover other matters which could result in further adjustments to the financial statements.

45. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 6 July 2022.

USE OF PROCEEDS

Year ended 31 December 2021

The following sets out the status on the use of proceeds from the Rights cum Warrants Issue undertaken by the Company pursuant to the offer information statement dated 22 May 2018 ("OIS").

	S\$'000
Net proceeds from the Rights cum Warrants Issue ⁽¹⁾	95,350
Utilisation	
Investment in quoted securities	(55,360)
Repayment of loan to finance the investment in quoted securities	(24,075)
Utilisation towards working capital: Purchases of inventories	(15,915)
Balance of net proceeds	-

Notes:

(1) Aggregate proceeds from Rights and conversion of Warrants as at 31 December 2021.

The use of proceeds from the Rights cum Warrants Issue is in accordance with the intended use as disclosed in the OIS.

INTERESTED PERSON TRANSACTIONS

Year ended 31 December 2021

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	
Pacific Organisation Pte Ltd - Rental Expense	Mr Ong Ghim Choon (Director and Chief Executive Officer of the Company) and his associate own a majority of the shares of Pacific Organisation Pte Ltd.	342	Nil

SUPPLEMENTAL INFORMATION

STATISTICS OF SHAREHOLDINGS AS AT 1 JULY 2022

SHARE CAPITAL

Issued and Paid-up Capital	: S\$123,276,197
Number of Issued Shares	: 907,077,553
Number of Issued Shares (excluding Treasury Shares)	: 875,672,570
Number and Percentage of Treasury Shares	: 31,404,983 or 3.46%
Number and Percentage of Subsidiary Holdings ⁽²⁾	: 0 or 0%
Class of Shares	: Ordinary Shares
Voting Rights	: One vote per share. The Company cannot exercise any voting rights in respect of the Shares held by it as Treasury Shares.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	% ⁽¹⁾
1 - 99	1,312	13.65	48,140	0.01
100 - 1,000	4,345	45.21	1,942,866	0.22
1,001 - 10,000	2,784	28.97	11,500,174	1.31
10,001 - 1,000,000	1,137	11.83	81,039,035	9.25
1,000,001 AND ABOVE	33	0.34	781,142,355	89.21
TOTAL	9,611	100.00	875,672,570	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	% ⁽¹⁾
1	CITIBANK NOMINEES SINGAPORE PTE LTD	444,346,728	50.74
2	CHONG SHIN LEONG	111,300,000	12.71
3	ONG GHIM CHOON	59,339,200	6.78
4	LIM CHIN TONG	27,770,417	3.17
5	DBS NOMINEES (PRIVATE) LIMITED	20,292,939	2.32
6	KOH KOW TEE MICHAEL	15,750,000	1.80
7	LIM SZE CHIA	11,200,100	1.28
8	LIM TOW BOON	10,150,000	1.16
9	RAFFLES NOMINEES (PTE.) LIMITED	10,100,699	1.15
10	PHILLIP SECURITIES PTE LTD	8,058,771	0.92
11	ANG SOO LIM	7,965,851	0.91
12	MAYBANK SECURITIES PTE. LTD.	7,795,516	0.89
13	ONG GEOK LAN LANDY	5,058,000	0.58
14	OCBC SECURITIES PRIVATE LIMITED	4,794,278	0.55
15	LIM LAI HIONG	3,785,045	0.43
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,534,194	0.40
17	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	3,232,906	0.37
18	LIN GUODONG	2,780,000	0.32
19	LOO AN AN	1,884,200	0.22
20	UOB KAY HIAN PRIVATE LIMITED	1,865,514	0.21
		761,004,358	86.91

Notes:

- (1) Percentage is calculated based on total number of Issued Shares excluding Treasury Shares.
- (2) "Subsidiary Holdings" is defined in the Listing Manual of the Singapore Exchange Securities Trading Limited as shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967 of Singapore.

SUPPLEMENTAL INFORMATION

AS AT 1 JULY 2022

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial shareholders in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholdings respectively are as follows:

	Direct interest	Deemed interest	Total interest	
	No. of shares	No. of shares	No. of shares	% ⁽¹⁾
Directors				
Edward Lee Ewe Ming	1	398,374,143 ⁽²⁾	398,374,144	45.49
Ong Ghim Choon	59,339,200	-	59,339,200	6.78
Zhang Yanmin	-	216,634,196 ⁽³⁾	216,634,196	24.74
Mark Leong Kei Wei	1,150,000	715,000 ⁽⁴⁾	1,865,000	0.21
Oei Su Chi, Ian	2,185,842	470,000 ⁽⁵⁾	2,655,842	0.30
Ong Siow Fong	-	-	-	-
Liu Yao	-	-	-	-
Substantial Shareholders				
Edward Lee Ewe Ming	1	398,374,143 ⁽²⁾	398,374,144	45.49
Ong Ghim Choon	59,339,200	-	59,339,200	6.78
Zhang Yanmin	-	216,634,196 ⁽³⁾	216,634,196	24.74
Chong Shin Leong	111,300,000	400,000 ⁽⁶⁾	111,700,000	12.76

Notes:

- (1) Based on the issued and paid-up share capital of the Company of 875,672,570 Shares (excluding 31,404,983 treasury shares) as at 1 July 2022.
- (2) Mr Edward Lee Ewe Ming is deemed interested in 398,374,143 Shares held via nominee and financial institutions, out of which 216,634,196 Shares are held jointly with his spouse, Ms Zhang Yanmin.
- (3) Ms Zhang Yanmin is deemed interested in 216,634,196 Shares held via nominee and financial institutions, which are jointly held with her spouse, Mr. Edward Lee Ewe Ming.
- (4) Mr Mark Leong Kei Wei is deemed interested in 715,000 Shares held by his spouse.
- (5) Mr Oei Su Chi, Ian is deemed interested in 470,000 Shares held by his spouse.
- (6) Mr Chong Shin Leong is deemed interested in 400,000 Shares held via DBS Nominees (Private) Ltd.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Approximately 34.35% of the Company's shares are held by the public and Rule 723 of the Mainboard Listing Rules of the SGX-ST has been complied with.

SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Information relating to the following Directors, who are standing for re-election as a Director at the Annual General Meeting of the Company, is provided pursuant to Rule 720(6) of the Mainboard Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited:

Name of Director	Edward Lee Ewe Ming	Ong Ghim Choon	Oei Su Chi, Ian
Date of appointment	11 May 2017	19 August 2009	1 June 2017
Date of last re-appointment (if applicable)	29 June 2020	29 April 2019	29 April 2019
Age	43	56	50
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Lee is the Executive Chairman of mDR Ltd ("mDR"). Based on the contribution and performance of Mr Lee, the Nominating Committee and the Board has recommended that Mr Lee be re-appointed as an Executive Director of the Company. His leadership will continue to help in Group's development and growth.	Mr Ong is the Group CEO of mDR. Based on the contribution and performance of Mr Ong, the Nominating Committee and the Board has recommended that Mr Ong be re-appointed as an Executive Director of the Company. His expertise and experience in the industry, together with his relationship with key principals, will be beneficial to the Group's business.	Mr Oei has continued to discharge his duties well and contribute positively to the Company. He provides guidance in relation to various matters of business and development of the Group. His industry experience in legal and compliance matters proves to be relevant and helpful and brings diversity to the Board in terms of overall skill sets. Based on the contribution and performance of Mr Oei, the Nominating Committee and the Board has recommended that Mr Oei be re-appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	<ul style="list-style-type: none"> • Executive • Executive Chairman 	<ul style="list-style-type: none"> • Executive • Group CEO 	<ul style="list-style-type: none"> • Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman	Group CEO	<ul style="list-style-type: none"> • Independent Director • ARC Member • NC Chairman • RC Chairman
Professional qualifications	Bachelor of Commerce in Accounting/Finance, University of Melbourne	N.A.	<ul style="list-style-type: none"> • Master of Laws (LL.M.), National University of Singapore • IBF Advanced Certificate in Governance, Risk and Compliance

SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Edward Lee Ewe Ming	Ong Ghim Choon	Oei Su Chi, Ian
Working experience and occupation(s) during the past 10 years	<p>Mr Lee is the Executive Chairman of the Group since June 2017. He is also the Managing Director of Edward Lee Apartments Private Limited and Edward Lee Residences Private Limited. Mr Lee was previously a Senior Consultant at Cambridge Associates where he led the firm's hedge fund research in Asia and constructed and oversaw hedge fund portfolios for a broad range of clients. Prior to joining Cambridge Associates, Mr Lee was the Corporate Finance Director of First World Capital. He was also previously an Investment Banking Analyst at Lehman Brothers, Inc. where he worked on mergers & acquisition, initial public offering, and debt restructuring exercises in the South East Asia region.</p>	<p>Mr Ong is the Chief Executive Officer of the Group since February 2010. He has extensive experience in the telecommunications industry, having been a pioneer in the establishment and management of several telecommunications companies since 1993, which engaged in the import, export, distribution and retail of telecommunications and related products and accessories.</p>	<p>Mr Oei presently serves as Director, cum the Legal and Compliance Officer, of Guotai Junan International Securities (Singapore) Pte Limited, a Singapore subsidiary of the Guotai Junan Group. Prior to joining Guotai Junan, Mr Oei was an in-house legal counsel with a Singapore-based foreign MNC, with businesses in paper, palm oil, construction and energy. Before that, he was in legal practice for about 15 years and had held the position of Director, Intellectual Property, with Drew & Napier LLC.</p>
Shareholding interest in the listed issuer and its subsidiaries	398,374,144 shares	59,339,200 shares	2,655,842
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Lee is the spouse of Ms Zhang Yanmin, an Executive Director and substantial shareholder of mDR.	Mr Ong is the brother of Mr Jimmy Ong, Director (Logistics) of A-Mobile Pte Ltd (a subsidiary of mDR).	N.A.
Conflict of interest (including any competing business)	No	No	No

SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Edward Lee Ewe Ming	Ong Ghim Choon	Oei Su Chi, Ian
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships * "Principal Commitments" has the same meaning as defined in the Code.			
Past (for the last 5 years)	Nil	Nil	<ul style="list-style-type: none"> Director, Guotai Junan Investment SPC Director, Four Points Investment SPC
Present	<ul style="list-style-type: none"> Managing Director, Edward Lee Apartments Private Ltd Managing Director, Edward Lee Residences Private Limited 	<p>Director</p> <ul style="list-style-type: none"> 3 Mobile Telecom Pte Ltd A-Mobile Pte Ltd Distribution Management Solutions Pte Ltd Handphoneshop Pte Ltd Pacific Organisation Pte Ltd Pixio Sdn Bhd Pixio United Sdn Bhd SDS Pte Ltd 	<ul style="list-style-type: none"> Legal Counsel, Guotai Junan International Securities (Singapore) Pte Limited

SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Edward Lee Ewe Ming	Ong Ghim Choon	Oei Su Chi, Ian
Information required	Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Edward Lee Ewe Ming	Ong Ghim Choon	Oei Su Chi, Ian
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Edward Lee Ewe Ming	Ong Ghim Choon	Oei Su Chi, Ian
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Edward Lee Ewe Ming	Ong Ghim Choon	Oei Su Chi, Ian
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

SUPPLEMENTAL INFORMATION

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

Name of Director	Edward Lee Ewe Ming	Ong Ghim Choon	Oei Su Chi, Ian
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

NOTICE OF ANNUAL GENERAL MEETING



(Incorporated in the Republic of Singapore)
(Company Registration No. 200009059G)

NOTICE IS HEREBY GIVEN that the Twenty First (21st) Annual General Meeting (“AGM”) of mDR Limited (the “Company”) will be held by way of electronic means on 27 July 2022 (Wednesday) at 1:00 p.m. (Singapore time) to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the audited Financial Statements of the Company for the year ended 31 December 2021 together with the Auditors’ Report thereon.

(Resolution 1)

2. To declare a final tax exempt (one-tier) dividend of S\$4 million (approximate) in respect of the financial year ended 31 December 2021.

(Resolution 2)

[See Explanatory Note (i)]

3. To re-elect Mr Edward Lee Ewe Ming, a Director of the Company retiring pursuant to Regulation 104(1) of the Constitution of the Company.

(Resolution 3)

[See Explanatory Note (ii)]

4. To re-elect Mr Ong Ghim Choon, a Director of the Company retiring pursuant to Regulation 104(1) of the Constitution of the Company.

(Resolution 4)

[See Explanatory Note (ii)]

5. To re-elect Mr Oei Su Chi, Ian, a Director of the Company retiring pursuant to Regulation 104(1) of the Constitution of the Company.

(Resolution 5)

[See Explanatory Note (ii)]

6. To approve the payment of up to S\$300,000 to be paid to all Directors (other than the Executive Directors) as Directors’ fees for the financial year ending 31 December 2022 (same as for FY2021: up to S\$300,000; Directors’ fees paid for FY2021: S\$160,000).

(Resolution 6)

[See Explanatory Note (iii)]

7. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. Authority to allot and issue shares

“That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue ordinary shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, notwithstanding that the authority conferred by this Resolution may have ceased to be in force,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall be less than ten per cent (10%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below);
- (2) (subject to such manner of calculation and adjustment as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares, excluding treasury shares and subsidiary holdings, at the time this Resolution is passed, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the SGX-ST Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.”

In this Resolution 8, “subsidiary holdings” shall have the meaning ascribed to it in the SGX-ST Listing Manual.

[See Explanatory Note (iv)]

(Resolution 8)

9. Authority to allot and issue Shares under the mDR Share Plan 2018

“That the Directors be and are hereby authorised to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of Awards under the mDR Share Plan 2018, provided that the aggregate number of Shares to be allotted and issued pursuant to the mDR Share Plan 2018 and any other share-based incentive schemes that may be implemented by the Company, shall not exceed 15% of the total issued and paid-up Shares (excluding treasury shares and subsidiary holdings) on the day preceding the date on which the Award shall be granted.”

[See Explanatory Note (v)]

(Resolution 9)

10. Proposed renewal of the Share Buy-back Mandate

“That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the “Companies Act”) and such other laws and regulations as may for the time being be applicable, the exercise by the directors of the Company (“Directors”) of all the powers of the Company to purchase or otherwise acquire issued and paid-up ordinary shares in the share capital of the Company (“Shares”) not exceeding in aggregate the Prescribed Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:
- (i) on-market purchases transacted through the trading system of the Singapore Exchange Securities Trading Limited (“SGX-ST”), or as the case may be, any other securities exchange on which the Shares may for the time being be listed on (“Market Purchase”); and/or
 - (ii) off-market purchases otherwise than on a securities exchange, in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the SGX-ST Listing Manual (“Off-Market Purchase”),

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the SGX-ST Listing Manual, be and is hereby authorised and approved generally and unconditionally (“Share Buy-back Mandate”);

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-back Mandate shall, at the discretion of the Directors, either be cancelled or held as treasury shares and dealt with in accordance with the Companies Act;

NOTICE OF ANNUAL GENERAL MEETING

- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors to purchase Shares pursuant to the Share Buy-back Mandate may be exercised by the Directors any time and from time to time, on and from the date of the passing of this resolution, up to the earliest of:
- (i) the date on which the next annual general meeting is held or is required by law to be held;
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-back Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied by Shareholders in a general meeting;
- (d) in this resolution:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the Market Purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the Off-Market Purchase from the holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax, and other related expenses) to be paid for the Shares as determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares;

“**Prescribed Limit**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

- (e) the Directors and/or any of them be and are hereby authorised to do any and all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to the matters referred to in this resolution and the taking of any and all actions whatsoever, by any Director on behalf of the Company in connection with the proposed Share Buy-back Mandate prior to the date of the passing of this resolution be and are hereby approved, ratified and confirmed.”

[See Explanatory Note (vi)]

(Resolution 10)

NOTICE OF ANNUAL GENERAL MEETING

11. To transact any other business that may be properly transacted at an annual general meeting.

BY ORDER OF THE BOARD

Madan Mohan

Company Secretary

Singapore, 8 July 2022

EXPLANATORY NOTES:

- (i) **Resolution 2:** Ordinary Resolution 2, if passed, will allow the Company to pay final tax exempt (one-tier) cash dividend of up to S\$4 million (approximate). The dividend per share will be determined based on the total number of issued shares as at Record Date.
- (ii) **Resolutions 3 to 5:** Ordinary Resolutions 3 to 5 are to re-elect Mr Edward Lee Ewe Ming, Mr Ong Ghim Choon, and Mr Oei Su Chi, Ian as Directors of the Company.

Mr Edward Lee Ewe Ming will, upon re-election as a Director of the Company, remain as Executive Chairman of the Company, and will be considered non-independent. Mr Ong Ghim Choon will, upon re-election as a Director of the Company, remain as Chief Executive Officer of the Company, and will be considered non-independent. Mr Oei Su Chi, Ian will, upon re-election as a Director of the Company, remain as a member of the Audit and Risk Committee and Chairman of both the Nominating Committee and the Remuneration Committee, and will be considered independent.

More information on these Directors are set out in the “Board of Directors” and “Corporate Governance” sections in the Annual Report 2021. Please refer to the “Supplemental Information” section of the Annual Report 2021 for information relating to these Directors as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST.

- (iii) **Resolution 6:** Ordinary Resolution 6 is to seek approval for the payment of up to S\$300,000 to all Directors (other than Executive Directors) as Directors’ fees for the financial year ending 31 December 2022 (which is the same as that approved for the preceding financial year). Total Directors’ fees paid for FY2021 was S\$160,000. Additional information on the Directors’ fees can be found under “Corporate Governance” section in the Annual Report 2021.
- (iv) **Resolution 8:** Ordinary Resolution 8, if passed, will empower the Directors of the Company, to issue Shares and to make or grant instruments (such as warrants, debentures or options) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total fifty per cent (50%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings, of which the number of Shares that may be issued other than on a *pro rata* basis to shareholders shall be less than ten per cent (10%) of the total number of Shares that may be issued (“**General Mandate**”). For the purpose of determining the aggregate number of Shares that may be issued pursuant to the General Mandate, the percentage of issued Shares shall be based on the total number of issued Shares, excluding treasury shares and subsidiary holdings, at the time Resolution 8 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time Resolution 8 is passed, and (b) any subsequent bonus issue, consolidation or subdivision of Shares.

NOTICE OF ANNUAL GENERAL MEETING

- (v) **Resolution 9:** Ordinary Resolution 9, if passed, will authorise and empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue Shares in the capital of the Company in accordance with the rules of the mDR Share Plan 2018. The mDR Share Plan 2018 was first approved by the shareholders at the Extraordinary General Meeting of the Company held on 28 September 2018.
- (vi) **Resolution 10:** Ordinary Resolution 10 is to renew the Share Buy-back Mandate to allow the Company to purchase or otherwise acquire its Shares, on the terms and subject to the conditions set out in this Resolution.

The Company intends to use internal resources of funds and/or external borrowings to finance the purchase or acquisition of Shares pursuant to the proposed renewal of the Share Buy-back Mandate. The amount of financing required for the Company to purchase or acquire its Shares and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice of AGM as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time. Purely for illustrative purposes only, the financial effects of the purchase or acquisition of such Shares by the Company pursuant to the Share Buy-back Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2021, based on certain assumptions, are set out in the circular to shareholders dated 8 July 2022 ("**Share Buy-back Circular**"). Please refer to the Share Buy-back Circular for more details.

ADDITIONAL NOTES:

- (1) The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at the URL <http://www.m-dr.com/meetings>.
- (2) **Due to the current COVID-19 situation in Singapore, members will not be able to attend the AGM in person.** Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast and/or "live" audio-only stream, submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to, or at, the AGM, and voting by appointing the Chairman of the AGM as proxy, are set out in the accompanying Company's announcement dated 8 July 2022.

Pre-registration

- (3) Members and investors holding shares in the Company through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS Investors**") who wish to observe and/or listen to the AGM proceedings via "live" audio-visual webcast and/or "live" audio only stream must pre-register at the pre-registration website at the URL <https://online.meetings.vision/mdr-registration> by **1:00 p.m. on 24 July 2022**. Following verification, authenticated members and CPF/SRS Investors will receive email instructions ("**Confirmation Email**") by 10:00 a.m. on 26 July 2022 on how to access the "live" audio-visual webcast, or "live" audio-only stream of the AGM proceedings. Members and CPF/SRS Investors who have successfully registered, but have not received the Confirmation Email by 10:00 a.m. on 26 July 2022 should contact the Company, by phone at +65 6347 8911 / +65 9736 1264, or by email at corporateaffairs@m-dr.com.
- (4) Investors who hold shares in the Company through relevant intermediaries (as defined in section 181 of the Companies Act 1967 of Singapore) (other than CPF/SRS Investors), and who wish to participate in the AGM, should contact the relevant intermediary through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Submission of questions

- (5) Members may submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM, in the following manner by 5:00 p.m. on 16 July 2022:
- (a) via the pre-registration website at the URL <https://online.meetings.vision/mdr-registration>; or
 - (b) by email to corporateaffairs@m-dr.com; or
 - (c) by post to the registered office of the Company at mDR Limited, 53 Ubi Crescent, Singapore 408594, Attn. Company Secretary.

To ensure that questions are received by the Company by the stipulated deadline, members are strongly encouraged to submit questions via the pre-registration website or by email.

When sending questions, members should provide their full name, NRIC/Passport number, contact number and email address, and the manner in which the shares are held in the Company (e.g. via CDP, CPF or SRS) for verification. The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM received from members by publishing the Company's responses on SGXNET and the Company's website on or before 21 July 2022. Substantial and relevant questions received after 16 July 2022 will be addressed at the AGM.

Members can also ask questions "live" during the broadcast of the AGM, by typing in and submitting their questions through the Q&A function via the audio-visual webcast platform.

Submission of Proxy Forms

- (6) Members (whether individuals or corporates) who wish to exercise their voting rights at the AGM must appoint the Chairman of the Meeting as their proxy to attend, speak and vote on their behalf at the AGM. In appointing the Chairman of the Meeting as proxy, members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment will be treated as invalid. The Proxy Form may be accessed on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and has also been made available on the Company's website at the URL <http://www.m-dr.com/meetings>.
- (7) The Chairman of the Meeting, as proxy, need not be a member of the Company.
- (8) CPF/SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5:00 p.m. on 15 July 2022, being at least seven (7) working days before the date of the AGM.
- (9) The duly completed Proxy Form must be submitted to the Company in the following manner:
- (a) if sent by post, be deposited at the registered office of the Company at mDR Limited, 53 Ubi Crescent, Singapore 408594, Attn. Company Secretary; or
 - (b) if sent electronically, be submitted via email to the Company at corporateaffairs@m-dr.com,

in either case, by no later than 1:00 p.m. on 24 July 2022, being 72 hours before the time fixed for holding the AGM, and in default the Proxy Form shall not be treated as valid.

NOTICE OF ANNUAL GENERAL MEETING

A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Members are strongly encouraged to submit completed Proxy Forms electronically via email.**

Documents for the AGM

(10) All documents, including the Annual Report 2021, this Notice of AGM, the Share Buy-back Circular, the Proxy Form, and information relating to the business of the AGM have been, or will be, published on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.m-dr.com/meetings>. **Printed copies of the documents will not be sent to members.** Members are advised to check SGXNET or the Company's website regularly for updates.

NOTICE OF RECORD DATE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN THAT the Share Transfer Book and Register of Members of the Company will be closed on 3 August 2022 at 5:00 p.m., for the purpose of determining shareholders' entitlement to the Company's proposed final tax exempt (one-tier) dividend ("**Final Dividend**").

Duly completed registrable transfers 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 3 August 2022 will be registered to determine shareholders' entitlement to the proposed Final Dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares as at 5:00 p.m. on 3 August 2022, will be entitled to the proposed Final Dividend.

The proposed Final Dividend, if approved at the Twenty First (21st) Annual General Meeting to be held on 27 July 2022, will be paid on 16 August 2022.

Personal Data Privacy:

By (a) submitting the Proxy Form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing, administration and analysis by the Company (or its agents or service providers) of Proxy Form(s) appointing the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof);
- (ii) processing of the pre-registration for purposes of granting access to members to the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings and providing them with any technical assistance where necessary;
- (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) preparation and compilation of the attendance lists, proxy lists, minutes (including questions and answers) and other documents relating to the AGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

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MDR Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 200009059G)

IMPORTANT

1. This Proxy Form has been made available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and may also be accessed at the Company's website at the URL <http://www.m-dr.com/meetings>. A printed copy of this Proxy Form will not be despatched to members.
2. **Personal Data Privacy**
By submitting this Proxy Form appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT:

1. The AGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM and this Proxy Form will not be sent to members. Instead, the Notice of AGM and this Proxy Form will be available to members by electronic means via publication on SGXNET and the Company's website at the URL <http://www.m-dr.com/meetings>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast and/or "live" audio-only stream), submission of questions, addressing of substantial and relevant questions prior to or during the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM and the accompanying Company's announcement dated 8 July 2022, which may be accessed on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.m-dr.com/meetings>.
3. A member will not be able to attend the AGM in person. A member will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a member must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
4. This Proxy Form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore (including investors holding Shares through Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS Investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. Investors who hold Shares through relevant intermediaries (other than CPF/SRS Investors) who wish to vote should instead approach their respective relevant intermediaries as soon as possible to submit their voting instructions. CPF/SRS Investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions, at least seven (7) working days before the date of the AGM.
5. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the AGM as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

I/We*, _____ (Name) _____ (NRIC/Passport/Co.Reg.No.*)
of _____ (Address)

being a member/members* of MDR LIMITED (the "Company") appoint:

the Chairman of the Annual General Meeting of the Company ("AGM")

as my/our* proxy to attend and to vote for me/us* on my/our* behalf at the AGM of the Company to be held on 27 July 2022 (Wednesday) at 1:00 p.m. by electronic means and at any adjournment thereof in the following manner:

No.	Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	Directors' Statement and audited Financial Statements for the year ended 31 December 2021			
2.	Declaration of final tax exempt (one-tier) dividend of S\$4 million (approximate) for the year ended 31 December 2021			
3.	Re-election of Mr Edward Lee Ewe Ming as a Director			
4.	Re-election of Mr Ong Ghim Choon as a Director			
5.	Re-election of Mr Oei Su Chi, Ian as a Director			
6.	Approval of Directors' fees of up to S\$300,000 for the year ending 31 December 2022			
7.	To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
8.	General authority to allot and issue shares			
9.	Authority to allot and issue Shares under the mDR Share Plan 2018			
10.	Proposed renewal of the Share Buy-back Mandate			

NOTE: Voting on all resolutions will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with a "✓" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the AGM as your proxy to abstain from voting on a resolution, please indicate with a "✓" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of Shares that the Chairman of the AGM as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2022

Total number of Shares held in:	No. of Shares
(i) Depository Register	
(ii) Register of Members	
Total (see Note 1)	

Signature(s) of Member(s) or Common Seal

*Delete as appropriate

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM

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Company Secretary

mDR Limited
53 Ubi Crescent
Singapore 408594

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NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the Proxy Form shall be deemed to relate to all the Shares held by you.
2. A member will not be able to attend the AGM in person. A member will also not be able to vote "live" on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. This Proxy Form may be accessed on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and is also available on the Company's website at the URL <http://www.m-dr.com/meetings>. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. CPF/SRS Investors who wish to vote should approach their respective CPF Agent Bank or SRS Operator at least seven (7) working days before the date of the AGM.
4. The Chairman of the AGM, as proxy, need not be a member of the Company.
5. The duly completed Proxy Form must be submitted to the Company in the following manner:
 - (a) if sent by post, must be deposited at the registered office of the Company at mDR Limited, 53 Ubi Crescent, Singapore 408594, Attn. Company Secretary; or
 - (b) if sent electronically, be submitted via email to the Company at corporateaffairs@m-dr.com,

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in either case, by no later than 1:00 p.m. on 24 July 2022, being 72 hours before the time fixed for the AGM, and in default the Proxy Form shall not be treated as valid.

A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed Proxy Forms electronically via email.

6. The Proxy Form must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (including any related attachment).
8. In addition, in the case of Shares entered in the Depository Register, the Company may reject any Proxy Form lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time fixed for holding the AGM, as certified by CDP to the Company.
9. Terms not defined herein have the meanings ascribed to them in the Notice of AGM dated 8 July 2022.
10. Any reference to a time of day is made by reference to Singapore time.
11. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

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MDR Limited

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