



(Company Registration No: 200009059G)

---

## **PLACEMENT OF 73,500,000 NEW ORDINARY SHARES IN THE CAPITAL OF mDR LIMITED**

---

### **Introduction**

The Board of Directors of mDR Limited (the “**Company**”) is pleased to announce that the Company has entered into a placement agreement dated 9 October 2007 (the “**Placement Agreement**”) with Portal World Investment Limited (“**PWIL**”) and Ng Swee Hua (“**NSH**”), in relation to the placement of 73,500,000 new ordinary shares (the “**Placement Shares**”) in the capital of the Company (the “**Placement**”). PWIL will subscribe for 53,000,000 Placement Shares and NSH will subscribe for 20,500,000 Placement Shares respectively.

The Placement Shares shall be issued as fully paid and shall be free from all claims, charges, liens and other encumbrances whatsoever and will rank *pari passau* in all respects with the existing ordinary shares of the Company.

The Completion of the Placement is expected to take place by 30 October 2007, or any other date as may be mutually agreed to by the parties.

### **Rationale**

The Company had, on 13 August 2007, in relation to point (10) of its second quarter financial result announcement, announced its intention to reduce its bank borrowings with the view of restructuring and normalizing the Company’s credit facilities with its lender banks (the “**Proposed Bank Restructuring**”).

The Company had, on 1 October 2007, further announced a proposed note issue of up to S\$32,000,000 redeemable non-recallable structured convertible notes (the “**Proposed Notes Issue**”).

The Placement, together with the Proposed Bank Restructuring and Proposed Notes Issue, are targeted at strengthening the Company’s balance sheet and ensuring that the Company is adequately funded to undertake growth and new businesses.

### **Issue Price**

The issue price for each Placement Share is S\$0.068 per Placement Share. The issue price of each Placement Share was arrived at on an arms’ length basis and it represents a discount of not more than 10% to the weighted average price of S\$0.0755 per mDR

share for trades done on the Official List of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 8 October 2007 (being the full market day immediately preceding the date of the Agreement).

### **General Mandate and Legal Requirements**

The Placement Shares will be issued pursuant to the general mandate by the shareholders of the Company, by way of an ordinary resolution (“Resolution”) passed at the Annual General Meeting held on 30 April 2007, given to the directors of the Company to issue shares not exceeding fifty per centum (50%) of the issued share capital of the Company at the time of the Resolution, of which the aggregate number of shares to be issued other than on a *pro rata* basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the issued share capital of the Company and that such authority shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the Company’s next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

The Company confirms that the Placement Shares are not placed to any of the persons disallowed under Rule 812 of the SGX-ST Listing Manual.

### **Condition Precedents**

The Placement shall be subject to and conditional upon approval in-principle being obtained from the SGX-ST for the listing and quotation of the Placement Shares on the Official List of the SGX-ST and such approval not having been revoked or amended and, where such approval is subject to conditions (which are not normally imposed by the SGX-ST for a transaction of a similar nature), to the extent that any conditions for the listing and quotation of the Placement Shares on the Official List of the SGX-ST are required to be fulfilled on or before the date of completion of the Placement, they are so fulfilled.

The Company will be making an application to the SGX-ST for the listing and quotation for the Placement Shares on the Official List of the SGX-ST.

### **Use of Proceeds**

The net proceeds from the Placement of approximately S\$4,848,060 (after deduction of arrangement fees and expenses) shall be used for the Company’s general working capital purposes.

### **Financial Effects**

The effect of the Placement on the net tangible assets per share of the mDR Group for the financial year ended 31 December 2006, assuming that the Placement had been effected and completed on 31 December 2006 is approximately an improvement from a

net tangible liability of 0.15 Singapore cents to a net tangible asset of 0.16 Singapore cents per mDR share.

The effect of the Placement on the loss per share of the mDR Group for the financial year ended 31 December 2006, assuming that the Placement had been effected and completed on 31 December 2006 is approximately an improvement from a loss per share of 2.15 Singapore cents to a loss of 2.05 Singapore cents per mDR share.

As at the date of this announcement, the Company's issued share capital comprises 1,614,988,970 ordinary shares. Upon completion of the Placement, the Company's share capital shall increase by approximately 0.0455% to 1,688,488,970 ordinary shares.

### **Interest of Directors and Controlling Shareholders**

To the best knowledge and belief of the Company, none of its directors or substantial shareholders have any interest, direct or indirect, in the proposed Placement.

### **Documents Available for Inspection**

A copy of the Subscription Agreement is available for inspection during normal business hours at the Company's registered office at 20 Toh Guan Road, #07-00 CJ GLS Building, Singapore 608839, for three months from the date of this announcement.

BY ORDER OF THE BOARD

**Huang Wenjian Eugene**  
Legal and Corporate Affairs Manager  
Company Secretary  
mDR Limited

9 October 2007