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**ISSUE OF 1.5 PER CENT. EQUITY-LINKED REDEEMABLE NON-RECALLABLE STRUCTURED CONVERTIBLE NOTES DUE 2010 WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$32,000,000 COMPRISING THREE TRANCHES OF A PRINCIPAL AMOUNT OF S\$12,000,000, S\$10,000,000 AND S\$10,000,000 EACH RESPECTIVELY – CONVERSION**

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Note: (Capitalised terms not expressly defined herein shall have the same meanings as ascribed to them in the Company's Circular dated 21 December 2007)

The Board of Directors of mDR Limited (“**the Company**”) wishes to announce that Value Capital Asset Management Limited (“**VCAM**”) in its capacity as investment manager to Advanced Opportunities Fund, has exercised to convert the aggregate principal amount of S\$500,000 in respect to the first sub-tranche of Tranche 1 Notes, at the Floating Conversion Price of S\$0.0378.

This leaves an outstanding balance of \$2,500,000.00 in respect of the first sub-tranche of Tranche 1 Notes yet to be converted.

The Floating Conversion Price of S\$0.0378 is based on 90% of the average of the five consecutive closing prices per share of the Company from 30 January 2008, 31 January 2008, 1 February 2008, 4 February 2008 and 5 February 2008 as traded on the Official List of the SGX-ST, and in accordance to the terms and conditions of the Subscription Agreement dated 5 November 2007.

The aggregate number of new shares to be allotted to VCAM is 13,227,513 ordinary shares.

The new shares arising from the conversion of the Notes in aggregate do not exceed 50% of the share capital of the Company.

None of the Directors or the Substantial Shareholders has any direct or indirect interest in the above transaction.

BY ORDER OF THE BOARD

Huang Wenjian Eugene  
Legal and Corporate Affairs Manager  
Company Secretary

Singapore  
18 January 2008