



**mDR Limited**

**Full Year and Fourth Quarter Financial Statements for the Period Ended 31 December 2012**

**1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

In S\$'000	Notes	4Q-12	4Q-11	Inc/(Dec) %	YTD-12	YTD-11	Inc/(Dec) %
<b>Continuing operations</b>							
<b>Revenue</b>	1	95,151	95,193	0%	319,684	357,007	-10%
Cost of sales	1	(85,694)	(86,634)	-1%	(287,193)	(323,952)	-11%
<b>Gross profit</b>	1	9,457	8,559	10%	32,491	33,055	-2%
Other income	2	335	467	-28%	1,443	2,067	-30%
Administrative expenses	3	(4,871)	(4,664)	4%	(18,712)	(18,353)	2%
Other operating expenses	4	(2,157)	(2,223)	-3%	(8,785)	(9,246)	-5%
Changes in fair value of convertible loan notes designated as fair value through profit or loss		-	-	N.M.	-	589	N.M.
Finance costs	5	(13)	(9)	44%	(36)	(404)	-91%
Total expenses		(7,041)	(6,896)	2%	(27,533)	(27,414)	0%
<b>Profit before income tax</b>		2,751	2,130	29%	6,401	7,708	-17%
Income tax (expense) credit	6	(306)	529	-158%	(778)	(351)	-122%
<b>Profit for the period from continuing operations</b>		2,445	2,659	-8%	5,623	7,357	-24%
<b>Discontinued operations</b>							
Profit for the period from discontinued operations	7	-	187	N.M.	-	276	N.M.
<b>Profit for the period</b>		2,445	2,846	-14%	5,623	7,633	-26%
<b>Other comprehensive income</b>							
Currency translation differences arising from consolidation		(2)	-	N.M.	1	71	-99%
Reclassification of currency translation reserves on disposals of subsidiaries		(33)	(8)	-313%	(33)	(8)	-313%
<b>Other comprehensive loss for the period, net of tax</b>		(35)	(8)	-338%	(32)	63	-151%
<b>Total comprehensive income for the period</b>		<u>2,410</u>	<u>2,838</u>	-15%	<u>5,591</u>	<u>7,696</u>	-27%
<b>Profit attributable to:</b>							
Owners of the Company		2,394	2,762	-13%	5,516	6,994	-21%
Non-controlling interests		51	84	-39%	107	639	-83%
<b>Total comprehensive income</b>		<u>2,445</u>	<u>2,846</u>	-14%	<u>5,623</u>	<u>7,633</u>	-26%
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		2,359	2,754	-14%	5,484	7,057	-22%
Non-controlling interests		51	84	-39%	107	639	-83%
		<u>2,410</u>	<u>2,838</u>	-15%	<u>5,591</u>	<u>7,696</u>	-27%

N.M. : Not Meaningful

## 1(a)(i) Breakdown and explanatory notes to the income statement

### Note 1 Revenue, cost of sales and gross profit

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

In S\$'000	4Q-12	4Q-11	YTD-12	YTD-11
<b>Revenue</b>				
AMS	9,232	6,025	28,144	20,022
DMS	85,919	89,168	291,540	336,985
	<u>95,151</u>	<u>95,193</u>	<u>319,684</u>	<u>357,007</u>
<b>Cost of goods sold and spare parts</b>				
AMS	(7,439)	(4,406)	(22,064)	(14,256)
DMS	(78,255)	(82,228)	(265,129)	(309,696)
	<u>(85,694)</u>	<u>(86,634)</u>	<u>(287,193)</u>	<u>(323,952)</u>
<b>Gross profit</b>				
AMS	1,793	1,619	6,080	5,766
DMS	7,664	6,940	26,411	27,289
	<u>9,457</u>	<u>8,559</u>	<u>32,491</u>	<u>33,055</u>
<b>GP%</b>				
AMS	19%	27%	22%	29%
DMS	9%	8%	9%	8%
	<u>10%</u>	<u>9%</u>	<u>10%</u>	<u>9%</u>

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

In S\$'000	4Q-12	4Q-11	YTD-12	YTD-11
Interest income	-	3	7	9
Rental income	220	393	1,080	1,536
Bad debts recovered - non-trade	-	-	11	7
Liabilities written back	-	33	-	354
Gain on disposal of a subsidiary	94	-	94	-
Others	21	38	251	161
	<u>335</u>	<u>467</u>	<u>1,443</u>	<u>2,067</u>

### Note 3 Administrative expenses

The administrative expenses comprise mainly staff cost.

In S\$'000	4Q-12	4Q-11	YTD-12	YTD-11
<b>Staff Cost</b>				
AMS	1,779	1,411	5,945	5,296
DMS	2,231	2,447	9,459	9,500
	<u>4,010</u>	<u>3,858</u>	<u>15,404</u>	<u>14,796</u>

Included in staff cost is share option expense of \$12,000 and \$56,000 in 4Q-12 and YTD-12 respectively (4Q-11: \$27,000 and YTD-11: \$95,000).

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

In S\$'000	4Q-12	4Q-11	YTD-12	YTD-11
Rental expenses	1,686	1,846	6,746	7,441
Depreciation expenses	283	277	1,116	1,017
Plant and equipment written off	14	36	242	67
Loss (Gain) on disposal of plant and equipment	-	9	(23)	13
Allowance (Reversal) for doubtful trade receivables	-	5	-	(13)
Allowance for doubtful other receivables	-	-	-	49
Bad debts written off - trade	3	3	3	4
Bad debts written off - non-trade	3	7	3	15
Allowance for inventories	160	38	653	566
Inventories written off	-	1	-	29
Foreign exchange loss	8	1	45	58
	<u>2,157</u>	<u>2,223</u>	<u>8,785</u>	<u>9,246</u>

**Note 5** Finance costs

Finance costs comprise interest on finance leases, as well as interest expense arising from loans and overdrafts drawn down for operating and investing activities in 2011.

**Note 6** Income tax expense

In Q4-11, a tax credit of \$0.5 million was recorded due to the write-back of tax provisions of \$0.6 million mainly due to utilization of group relief in respect of prior years.

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

In S\$'000	4Q-12	4Q-11	YTD-12	YTD-11
<b>Revenue</b>	-	-	-	-
Cost of sales	-	-	-	-
<b>Gross profit</b>	-	-	-	-
Other operating income	-	-	-	-
Administrative expenses	-	-	-	(3)
Other operating expenses	-	(15)	-	107
Finance costs	-	-	-	-
<b>(Loss) Profit before income tax</b>	-	(15)	-	104
Income tax credit	-	14	-	-
<b>(Loss) Profit for the period</b>	-	(1)	-	104
Gain from disposal of discontinued operations	-	188	-	172
<b>Profit from discontinued operations</b>	-	187	-	276

2011

Accord Customer Care Solutions International Limited, After Market Solutions (CE) Pte. Ltd., After Market Solutions (CE) Sdn. Bhd., Playwork Solutions Pte. Ltd. and Tri-Max Pte. Ltd. were deregistered/disposed in 2Q-11.

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

**1(b)(i) Statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year**

In S\$'000	Notes	Group		Company	
		31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances		17,620	12,778	9,902	1,923
Cash pledged		-	2,000	-	-
Trade receivables	1	25,564	23,913	5,240	2,619
Other receivables and prepayments	2	4,186	3,231	14,153	12,889
Inventories	3	22,001	15,553	2,509	696
<b>Total current assets</b>		<u>69,371</u>	<u>57,475</u>	<u>31,804</u>	<u>18,127</u>
<b>Non-current assets</b>					
Investment in subsidiaries		-	-	14,436	14,436
Plant and equipment		2,843	3,110	846	654
Other goodwill		2,350	2,350	-	-
<b>Total non-current assets</b>		<u>5,193</u>	<u>5,460</u>	<u>15,282</u>	<u>15,090</u>
<b>Total assets</b>		<u>74,564</u>	<u>62,935</u>	<u>47,086</u>	<u>33,217</u>
<b>Current liabilities</b>					
Trade payables	4	14,911	14,954	4,175	1,812
Other payables	5	9,099	11,720	2,337	2,656
Current portion of finance leases		86	81	68	64
Income tax payable		1,483	1,343	-	-
<b>Total current liabilities</b>		<u>25,579</u>	<u>28,098</u>	<u>6,580</u>	<u>4,532</u>
<b>Non-current liabilities</b>					
Finance leases		459	545	360	428
Deferred tax liabilities		225	154	-	-
<b>Total non-current liabilities</b>		<u>684</u>	<u>699</u>	<u>360</u>	<u>428</u>
<b>Capital, reserves and non-controlling interests</b>					
Share capital		132,856	122,117	132,856	122,117
Capital reserve		(859)	(859)	22	22
Share options reserve		1,548	1,590	1,548	1,590
Foreign currency translation reserve		168	200	-	-
Accumulated losses		(85,976)	(89,416)	(94,280)	(95,472)
<b>Equity attributable to owners of the Company</b>		<u>47,737</u>	<u>33,632</u>	<u>40,146</u>	<u>28,257</u>
Non-controlling interests		564	506	-	-
<b>Total equity</b>		<u>48,301</u>	<u>34,138</u>	<u>40,146</u>	<u>28,257</u>
<b>Total liabilities and equity</b>		<u>74,564</u>	<u>62,935</u>	<u>47,086</u>	<u>33,217</u>

## Notes

### 1 Trade receivables

The Group's trade receivables turnover as at 31 December 2012 is 28 days (31 December 2011: 24 days).

The Group's lower distribution business, which is principally on cash terms, has impacted the trade receivables turnover days.

### 2 Other receivables and prepayments

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

<b>S\$'000</b>	<b>31-Dec-12</b>	<b>31-Dec-11</b>
Rental deposits	2,008	1,843
Other receivables	1,856	1,017
Prepayments	187	256

Other receivables of \$1.9 million as at 31 December 2012 mainly comprised credit notes of \$0.6 million to be received from principals in relation to sell through, advertising and promotion support.

### 3 Inventories

The Group's inventory turnover for the period ended 31 December 2012 is 24 days (31 December 2011: 16 days).

Group inventories as at 31 December 2012 is \$22.0 million (31 December 2011: \$15.6 million).

The increase in inventory holding was mainly due to higher AMS spare parts held, increased purchases of prepaid cards, and increased purchases and holding of higher value handsets (smartphones) towards period end.

### 4 Trade payables

The Group's trade payables turnover as at 31 December 2012 is 19 days (31 December 2011: 16 days).

### 5 Other payables

The Group's other payables consist of the following:

<b>S\$'000</b>	<b>31-Dec-12</b>	<b>31-Dec-11</b>
Advertising, promotion and sell through funds from principals	2,714	3,157
Other payables to third parties	698	1,396
Accrued staff costs	1,561	1,662
Rebates owing to franchisees	1,321	2,347
Accrued purchases	244	232
Other accrued operating expenses	1,227	670

**1(b)(ii) Aggregate amount of Group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

As at 31-Dec-12		As at 31-Dec-11	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
86	-	81	-

**Amount repayable after one year**

As at 31-Dec-12		As at 31-Dec-11	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
459	-	545	-

**Details of collateral**

The borrowings are secured on certain motor vehicles held under finance leases.

**1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

<b>In S\$'000</b>	<b>4Q-12</b>	<b>4Q-11</b>	<b>YTD-12</b>	<b>YTD-11</b>
<b>Operating activities</b>				
Profit before income tax from continuing operations	2,751	2,130	6,401	7,708
Profit before income tax from discontinued operations	-	173	-	276
	<u>2,751</u>	<u>2,303</u>	<u>6,401</u>	<u>7,984</u>
Adjustments for:				
Depreciation expense	283	277	1,116	1,017
Interest expense	13	9	36	404
Interest income	-	(3)	(7)	(9)
Loss (Gain) on disposal of plant and equipment	-	9	(23)	13
Plant and equipment written off	14	36	242	67
Allowance (Reversal) for impairment of plant and equipment	-	-	-	(34)
Allowance for inventories	160	38	653	566
Inventories written off	-	1	-	29
Bad debts written off - trade	3	3	3	4
Bad debts written off - non-trade	3	7	3	15
Allowance (Reversal) for doubtful trade receivables	-	9	-	(85)
Allowance for doubtful other receivables	-	7	-	32
Employee share-based payments	12	27	56	95
Professional fees settled by shares	-	-	-	510
Gain arising from de-consolidation of disposed subsidiaries	(94)	(188)	(94)	(172)
Changes in fair value of convertible loan notes designated as fair value through profit or loss	-	-	-	(589)
Liabilities written back	-	(33)	-	(354)
Net foreign exchange (gains) losses	(2)	2	1	72
<b>Operating cash flows before movements in working capital</b>	<u>3,143</u>	<u>2,504</u>	<u>8,387</u>	<u>9,565</u>
Trade receivables	(138)	(4,164)	(1,654)	(572)
Other receivables and prepayments	1,222	619	(959)	448
Inventories	209	(3,345)	(7,101)	(3,024)
Trade payables	(994)	1,532	(35)	2,151
Other payables	(2,252)	432	(2,566)	983
<b>Cash generated from (used in) operations</b>	<u>1,190</u>	<u>(2,422)</u>	<u>(3,928)</u>	<u>9,551</u>
Interest received	-	3	7	9
Income tax paid	(7)	68	(567)	(754)
<b>Net cash from (used in) operating activities</b>	<u>1,183</u>	<u>(2,351)</u>	<u>(4,488)</u>	<u>8,806</u>
<b>Investing activities</b>				
Disposal of subsidiaries (Note A)	-	(3)	-	(3)
Proceeds from disposal of plant and equipment	3	62	127	63
Acquisition of non-controlling interest in a subsidiary	-	(350)	-	(350)
Purchase of plant and equipment	(254)	(577)	(1,195)	(1,478)
<b>Net cash used in investing activities</b>	<u>(251)</u>	<u>(868)</u>	<u>(1,068)</u>	<u>(1,768)</u>
<b>Financing activities</b>				
Interest paid	(13)	(9)	(36)	(404)
Proceeds from issuance of ordinary shares, net	3,565	(41)	10,640	7,942
Repayment of obligations under finance leases	(21)	(19)	(81)	(32)
Dividends paid to shareholders of parent company	-	-	(2,076)	-
Dividends paid to non-controlling interest	(49)	(37)	(49)	(37)
Repayment of convertible bonds	-	-	-	(5,300)
Cash pledged	-	-	2,000	224
<b>Net cash from (used in) financing activities</b>	<u>3,482</u>	<u>(106)</u>	<u>10,398</u>	<u>2,393</u>
Net increase (decrease) in cash and cash equivalents	4,414	(3,325)	4,842	9,431
Cash and cash equivalents at beginning of period	13,206	16,103	12,778	3,347
<b>Cash and cash equivalents at end of period</b>	<u>17,620</u>	<u>12,778</u>	<u>17,620</u>	<u>12,778</u>

## Notes

### A. Disposal of subsidiaries

#### 2012

The Group has amalgamated Distribution Management Solutions Pte. Ltd. and iDistribution Pte. Ltd with effect from 1 June 2012 with the former continuing as the surviving entity. The amalgamation has no impact on the consolidated financial statements.

In 4Q-12, the Group commenced liquidation of its wholly-owned subsidiary mDRL (M) Sdn. Bhd.

#### 2011

In 2Q-11, Accord Customer Care Solutions International Limited, After Market Solutions (CE) Pte. Ltd., After Market Solutions (CE) Sdn. Bhd., Playwork Solutions Pte. Ltd. and Tri-Max Pte. Ltd. were deregistered/disposed.

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

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

<b>In S\$'000</b>	<b>4Q-12</b>	<b>4Q-11</b>	<b>YTD-12</b>	<b>YTD-11</b>
Assets	2	-	2	19
Liabilities	(63)	(27)	(63)	(30)
Foreign currency translation reserve	(33)	(8)	(33)	(8)
Non-controlling interests derecognised	-	(153)	-	(153)
Net assets	<u>(94)</u>	<u>(188)</u>	<u>(94)</u>	<u>(172)</u>
Proceeds received	-	-	-	-
Cash balance in subsidiaries disposed off	-	(3)	-	(3)
Cash outflows on disposal	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(3)</u>

### B. Cash and cash equivalent at end of period comprise of:

<b>In S\$'000</b>	<b>4Q-12</b>	<b>4Q-11</b>
Cash	17,620	14,778
Less: Cash pledged	-	(2,000)
Cash and cash equivalents	<u>17,620</u>	<u>12,778</u>



**1(d)(i) A statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

<u>In S\$'000</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Share options reserve</u>	<u>Currency translation reserve</u>	<u>Accumulated losses</u>	<u>Attributable to equity holders</u>	<u>Non-controlling interests</u>	<u>Total</u>
<b>Group</b>								
<b>Balance as at 1 January 2012</b>	122,117	(859)	1,590	200	(89,416)	33,632	506	34,138
Total comprehensive income for the period	-	-	-	-	1,529	1,529	28	1,557
Issue of shares upon share options exercised	99	-	(27)	-	-	72	-	72
Issue of shares upon conversion of warrants	1,142	-	-	-	-	1,142	-	1,142
Recognition of share-based payments	-	-	24	-	-	24	-	24
<b>Balance as at 31 March 2012</b>	<u>123,358</u>	<u>(859)</u>	<u>1,587</u>	<u>200</u>	<u>(87,887)</u>	<u>36,399</u>	<u>534</u>	<u>36,933</u>
Total comprehensive income for the period	-	-	-	1	812	813	10	823
Dividends	-	-	-	-	(2,076)	(2,076)	-	(2,076)
Issue of shares upon share options exercised	253	-	(71)	-	-	182	-	182
Issue of shares upon conversion of warrants	4,163	-	-	-	-	4,163	-	4,163
Recognition of share-based payments	-	-	9	-	-	9	-	9
<b>Balance as at 30 June 2012</b>	<u>127,774</u>	<u>(859)</u>	<u>1,525</u>	<u>201</u>	<u>(89,151)</u>	<u>39,490</u>	<u>544</u>	<u>40,034</u>
Total comprehensive income for the period	-	-	-	2	781	783	18	801
Issue of shares upon conversion of warrants	1,517	-	-	-	-	1,517	-	1,517
Recognition of share-based payments	-	-	11	-	-	11	-	11
<b>Balance as at 30 September 2012</b>	<u>129,291</u>	<u>(859)</u>	<u>1,536</u>	<u>203</u>	<u>(88,370)</u>	<u>41,801</u>	<u>562</u>	<u>42,363</u>
Total comprehensive income for the period	-	-	-	(35)	2,394	2,359	51	2,410
Issue of shares upon conversion of warrants	3,565	-	-	-	-	3,565	-	3,565
Dividends paid to non-controlling interest	-	-	-	-	-	-	(49)	(49)
Recognition of share-based payments	-	-	12	-	-	12	-	12
<b>Balance as at 31 December 2012</b>	<u><u>132,856</u></u>	<u><u>(859)</u></u>	<u><u>1,548</u></u>	<u><u>168</u></u>	<u><u>(85,976)</u></u>	<u><u>47,737</u></u>	<u><u>564</u></u>	<u><u>48,301</u></u>

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

<u>In S\$'000</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Share options reserve</u>	<u>Accumulated losses</u>	<u>Total</u>
<b>Company</b>					
<b>Balance as at 1 January 2012</b>	122,117	22	1,590	(95,472)	28,257
Total comprehensive income for the period	-	-	-	364	364
Issue of shares upon share options exercised	99	-	(27)	-	72
Issue of shares upon conversion of warrants	1,142	-	-	-	1,142
Recognition of share-based payments	-	-	24	-	24
<b>Balance as at 31 March 2012</b>	<u>123,358</u>	<u>22</u>	<u>1,587</u>	<u>(95,108)</u>	<u>29,859</u>
Total comprehensive income for the period	-	-	-	444	444
Dividends	-	-	-	(2,076)	(2,076)
Issue of shares upon share options exercised	253	-	(71)	-	182
Issue of shares upon conversion of warrants	4,163	-	-	-	4,163
Recognition of share-based payments	-	-	9	-	9
<b>Balance as at 30 June 2012</b>	<u>127,774</u>	<u>22</u>	<u>1,525</u>	<u>(96,740)</u>	<u>32,581</u>
Total comprehensive income for the period	-	-	-	135	135
Issue of shares upon conversion of warrants	1,517	-	-	-	1,517
Recognition of share-based payments	-	-	11	-	11
<b>Balance as at 30 September 2012</b>	<u>129,291</u>	<u>22</u>	<u>1,536</u>	<u>(96,605)</u>	<u>34,244</u>
Total comprehensive income for the period	-	-	-	2,325	2,325
Issue of shares upon conversion of warrants	3,565	-	-	-	3,565
Recognition of share-based payments	-	-	12	-	12
<b>Balance as at 31 December 2012</b>	<u>132,856</u>	<u>22</u>	<u>1,548</u>	<u>(94,280)</u>	<u>40,146</u>
<b>Balance as at 1 January 2011</b>	109,456	22	1,528	(98,194)	12,812
Total comprehensive income for the period	-	-	-	51	51
Issue of shares upon conversion of convertible notes	50	-	-	-	50
Recognition of share-based payments	-	-	12	-	12
<b>Balance as at 31 March 2011</b>	<u>109,506</u>	<u>22</u>	<u>1,540</u>	<u>(98,143)</u>	<u>12,925</u>
Total comprehensive expense for the period	-	-	-	(51)	(51)
Issue of shares upon share options exercised	29	-	(9)	-	20
Issue of shares for settlement of advisory fees	510	-	-	-	510
Effect of acquiring part of non-controlling interest in a subsidiary	4,150	-	-	-	4,150
Reversal of expenses related to equity-settled share-based payment	-	-	(24)	24	-
Recognition of share-based payments	-	-	29	-	29
<b>Balance as at 30 June 2011</b>	<u>114,195</u>	<u>22</u>	<u>1,536</u>	<u>(98,170)</u>	<u>17,583</u>
Total comprehensive income for the period	-	-	-	323	323
Issue of placement shares	488	-	-	-	488
Expenses in relation to issuance of placement shares	(13)	-	-	-	(13)
Issue of shares pursuant to rights cum warrants issue	7,898	-	-	-	7,898
Expenses in relation to issuance of right shares	(410)	-	-	-	(410)
Recognition of share-based payments	-	-	27	-	27
<b>Balance as at 30 September 2011</b>	<u>122,158</u>	<u>22</u>	<u>1,563</u>	<u>(97,847)</u>	<u>25,896</u>
Total comprehensive income for the period	-	-	-	2,375	2,375
Expenses in relation to issuance of right shares	(41)	-	-	-	(41)
Recognition of share-based payments	-	-	27	-	27
<b>Balance as at 31 December 2011</b>	<u>122,117</u>	<u>22</u>	<u>1,590</u>	<u>(95,472)</u>	<u>28,257</u>

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

**Issued Share Capital**

In 4Q-12, the Company issued an additional 713,043,000 new ordinary shares at \$0.005 per share through conversion of 713,043,000 warrants.

As a result, the Company's issued and paid-up capital increased to \$132,855,976 divided into 8,446,831,386 shares as at 31 December 2012.

There were no movements in the Company's issued share capital for the quarter ended 31 December 2011.

**Warrants**

At 31 December 2012, there were 4,240,534,927 (31 December 2011: 6,318,223,656) outstanding warrants. Each warrant carries the right to subscribe for one new share in the capital of the Company at an exercise price of \$0.005.

**Share options**

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

At 31 December 2012, there were 55,539,274 (31 December 2011: 77,366,274) outstanding share options which would entitle the holders to subscribe for a total of 55,539,274 (31 December 2011: 77,366,274) ordinary shares.

The 55,539,274 share options outstanding at 31 December 2012 are approximately 0.66% of the share capital consisting of 8,446,831,386 issued shares at 31 December 2012.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Number of ordinary shares	
	31-Dec-12	31-Dec-11
Issued and paid up	<u>8,446,831,386</u>	<u>6,318,223,657</u>

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

Not applicable

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

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

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

Not applicable

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the financial year ended 31 December 2011.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRS") for accounting periods beginning 1 January 2012, where applicable.

The adoption of new / revised FRS and INT FRS does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior period.

**6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	4Q-12	4Q-11	YTD-12	YTD-11
<b>Earnings per ordinary share</b> <i>(based on consolidated net profit attributable to equity holders of the Company)</i>	<b>cents</b>	<b>cents</b>	<b>cents</b>	<b>cents</b>
<b>From continuing and discontinued operations:</b>				
- Basic	0.033	0.059	0.075	0.148
- Fully diluted	0.023	0.058	0.053	0.148
<b>From continuing operations:</b>				
- Basic	0.033	0.055	0.075	0.142
- Fully diluted	0.023	0.054	0.053	0.142
<b>From discontinuing operations:</b>				
- Basic	-	0.004	-	0.006
- Fully diluted	-	0.004	-	0.006

Basic earnings per ordinary share is computed based on the weighted average number of shares in issue during the period of 7,306,161,886 (4Q-11: 4,713,100,079).

Fully diluted earnings per ordinary share is computed based on the weighted average number of shares during the period adjusted for the effect of all potential dilutive ordinary shares of 10,403,265,590 (4Q-11: 4,724,211,190).

**7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	31-Dec-12 Cents	31-Dec-11 Cents	31-Dec-12 Cents	31-Dec-11 Cents
Net Asset Value ("NAV") per share	<u>0.57</u>	<u>0.53</u>	<u>0.48</u>	<u>0.45</u>

The NAV per share as at 31 December 2012 is calculated based on 8,446,831,386 (31 December 2011: 6,318,223,657) ordinary shares.

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

**Revenue and profit after income tax**

The Group's revenue quarter-on-quarter remained constant whereas for YTD-12, it has decreased by 10% from \$357.0 million to \$319.7 million. The decrease in turnover was mainly due to a slowdown in the distribution business for FY 2012.

The Group's gross profit margins quarter-on-quarter and year-on-year have increased slightly from 9% to 10%, mainly due to a change in sales mix.

Net profits for the Group decreased by 14% from \$2.8 million to \$2.4 million quarter-on-quarter. However, if the tax credit of \$0.6 million from utilization of group relief in respect of prior years were excluded from 4Q-11 net profits, net profits for Q4-12 would be 10% higher than Q4-11 adjusted net profits of \$2.2 million. New product launches in 4Q-12 had contributed to the strong performance for the quarter.

Overall net profits for the Group decreased by 26% from \$7.6 million to \$5.6 million year-on-year; However, FY 2011 net profits of \$7.6 million include one-time gains such as liabilities written back, fair value gain and tax credit recognized amounting to \$1.6 million. Should these one-time gains be excluded from FY 2011 profits, FY 2012 net profits of \$5.6 million represents only a 6.7% decline from that of the previous year.

## Cash flows

For the quarter-on-quarter and year-on-year basis, the increase in cash position was mainly due to the conversion of warrants.

As at 31 December 2012, the Group's working capital increased to \$43.8 million, up from \$29.4 million as at 31 December 2011.

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

Not applicable

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

The local economy is expected to register modest growth for the year, which may impact consumer sentiments. Challenges such as curbs on the inflow of foreign labour may affect the Group's performance in retail and AMS businesses. Despite such challenges, the Group remains cautiously optimistic for FY 2013; the Group will strive to maintain its proven track record in the industry with the continued support from its principals, and to broaden its revenue streams from selective overseas investments in new and complementary businesses.

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

In S\$'000	FY2012	FY2011	Inc/(Dec) %
Sales reported for first half year	143,648	178,898	-20%
Operating profit after tax before deducting non-controlling interests reported for first half year	2,379	3,108	-23%
Sales reported for second half year	176,036	178,262	-1%
Operating profit after tax before deducting non-controlling interests reported for second half year	3,244	4,525	-28%

## 12. Dividend

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

Any dividend declared for the current financial period reported on?

Yes (Proposed, see note (c) )

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

Issued shares as at 27 February 2013 is 8,575,875,050. On the basis that no warrants are converted and no employee share options are exercised prior to Book Closure Date, the dividend per share will be 0.024 cents. However, if all outstanding warrants of 4,111,491,263 and employee share options of 12,213,000 are converted and exercised respectively, before Book Closure Date, the dividend per share will be reduced to approximately 0.016 cents.

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend per share	\$0.00028 per share
Dividend Amount	\$2,076,000
Tax rate	Tax exempt (One-Tier tax)

### **(c) Date payable**

Subject to shareholders' approval at the Annual General Meeting proposed to be held on 26 April 2013, the proposed first and final dividend will be paid on 22 May 2013.

### **(d) Books closure date**

The Share Transfer Books and Register of Members of the Company will be closed from 8 May 2013 after 5.00 p.m. to 9 May 2013 for the preparation of determining shareholders' entitlements to the first and final (tax exempt one-tier) dividends. For Proposed Dividend on a per share basis, please refer to note 12 (a).

Duly completed registration transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, Singapore Land Tower #32-01 Singapore 048623 up to 5.00 p.m. on 8 May 2013 will be registered to determine shareholders' entitlements to the Proposed Dividend. Members whose Securities Accounts with The Central



Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8 May 2013 will be entitled to the abovementioned Proposed Dividend.

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

Not applicable

**14. Segment revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

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

**(a) Business Segments**

**FY2012  
\$'000**

	<b>Group</b>					
	<b>Continuing</b>			<b>Total</b>	<b>Discontinued</b>	
	<b>AMS</b>	<b>DMS</b>	<b>Unallocated</b>			<b>AMS</b>
<b>Segment revenue</b>						
External	28,144	291,540	-	319,684	-	319,684
Inter-segment	-	-	-	-	-	-
	<u>28,144</u>	<u>291,540</u>	<u>-</u>	<u>319,684</u>	<u>-</u>	<u>319,684</u>
<b>Segment result</b>	(849)	6,134	-	5,285	-	5,285
Rental income	-	1,080	-	1,080	-	1,080
Gain from disposal of a subsidiary	94	-	-	94	-	94
Net foreign exchange loss				(45)	-	(45)
Gain on disposal of plant and equipment				23	-	23
Finance costs				(36)	-	(36)
Profit before income tax				<u>6,401</u>	<u>-</u>	<u>6,401</u>
Income tax expense				(778)	-	(778)
Net profit for the year				<u>5,623</u>	<u>-</u>	<u>5,623</u>
<b>Segment assets</b>	<u>18,564</u>	<u>56,000</u>	<u>-</u>	<u>74,564</u>	<u>-</u>	<u>74,564</u>
<b>Segment liabilities</b>	<u>(6,385)</u>	<u>(18,170)</u>	<u>(1,708)</u>	<u>(26,263)</u>	<u>-</u>	<u>(26,263)</u>
<b>Other segment information</b>						
Capital expenditure	391	804	-	1,195	-	1,195
Depreciation and amortisation	185	931	-	1,116	-	1,116

**FY2011**  
**\$'000**

	Continuing			Group	Discontinued	
	AMS	DMS	Unallocated	Total	AMS	Total
<b>Segment revenue</b>						
External	20,022	336,985	-	357,007	-	357,007
Inter-segment	-	-	-	-	-	-
	20,022	336,985	-	357,007	-	357,007
<b>Segment result</b>	(969)	6,673	-	5,704	120	5,824
Rental income	-	1,536	-	1,536	-	1,536
Gain from disposal of discontinued operations				-	172	172
Net foreign exchange loss				(58)	(16)	(74)
Loss on disposal of plant and equipment				(13)	-	(13)
Changes in fair value of convertible loan notes designated as fair value through profit or loss				589	-	589
Liabilities written back				354	-	354
Finance costs				(404)	-	(404)
Profit before income tax				7,708	276	7,984
Income tax expense				(351)	-	(351)
Net profit for the year				7,357	276	7,633
<b>Segment assets</b>	6,283	56,652	-	62,935	-	62,935
<b>Segment liabilities</b>	(4,512)	(22,788)	(1,497)	(28,797)	-	(28,797)
<b>Other segment information</b>						
Capital expenditure	664	1,472	-	2,136	-	2,136
Depreciation and amortisation	87	930	-	1,017	-	1,017
Reversal of impairment loss on plant and equipment	-	-	-	-	(34)	(34)

**(b) Geographical segment**

**Segment revenue**

	Revenue from external customers	
	FY2012 \$'000	FY2011 \$'000
Singapore	318,432	355,091
Malaysia	1,252	1,916
	319,684	357,007

## Other geographical information

	Segment non-current assets	
	FY2012 \$'000	FY2011 \$'000
Singapore	5,191	5,441
Malaysia	2	19
Total	<u>5,193</u>	<u>5,460</u>

## 15. Interested Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
	\$'000	\$'000
Pacific Organisation Pte Ltd - rental expenses	435	Nil

## 16. Use of proceeds

The following sets out the status of the use of proceeds from the conversion of warrants pursuant to the renounceable non-underwritten rights cum warrants issue undertaken by the Company in 2011.

	S\$'000
Balance of proceeds as at 1 October 2012	270
Proceeds received for the period	<u>3,565</u>
Balance of proceeds as at 31 December 2012	<u>3,835</u>

The use of proceeds is in accordance with the intended use of the net proceeds as described in the Offer Information Statement dated 1 September 2011.

**17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual.**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, any, during the year
Ong Ghim Chwee	48	Brother of Ong Ghim Choon (Group Executive Director and Chief Executive Officer)	Director (Accessories and Logistics) of Distribution Management Solutions Pte Ltd since January 2006).	No changes

**BY ORDER OF THE BOARD**

**Ong Ghim Choon  
Chief Executive Officer  
27 February 2013**