



mDR Limited

Full Year and Fourth Quarter Financial Statements for the Period Ended 31 December 2016

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-16	4Q-15	Inc/(Dec) %	YTD-16	YTD-15	Inc/(Dec) %
Revenue	1	86,234	85,858	0%	318,857	318,946	0%
Cost of sales	1	(78,023)	(77,908)	0%	(289,200)	(288,588)	0%
Gross profit	1	8,211	7,950	3%	29,657	30,358	-2%
Other income	2	241	454	-47%	794	1,211	-34%
Administrative expenses	3	(5,414)	(5,519)	-2%	(20,373)	(20,853)	-2%
Other operating expenses	4	(1,758)	(1,896)	-7%	(6,811)	(7,540)	-10%
Finance costs	5	(28)	(26)	8%	(106)	(129)	-18%
Total expenses		(7,200)	(7,441)	-3%	(27,290)	(28,522)	-4%
Operating profit before amortisation expense, share of losses of associate and income tax		1,252	963	30%	3,161	3,047	4%
Share of profits (losses) of associate		1	4	-75%	6	(6)	N.M
Profit before income tax		1,253	967	30%	3,167	3,041	4%
Income tax credit (expense)	6	313	180	74%	(117)	7	N.M
Profit for the period		1,566	1,147	37%	3,050	3,048	0%
Other comprehensive loss							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Currency translation differences arising on consolidation		(147)	(149)	-1%	(141)	(695)	-80%
Other comprehensive loss for the period, net of tax		(147)	(149)	-1%	(141)	(695)	-80%
Total comprehensive income for the period		1,419	998	42%	2,909	2,353	24%
Profit (Loss) attributable to:							
Owners of the Company		1,816	1,369	33%	2,940	4,060	-28%
Non-controlling interests		(250)	(222)	13%	110	(1,012)	N.M
		1,566	1,147	37%	3,050	3,048	0%
Total comprehensive income (loss) attributable to:							
Owners of the Company		1,687	1,107	52%	2,787	3,332	-16%
Non-controlling interests		(268)	(109)	N.M	122	(979)	N.M
		1,419	998	42%	2,909	2,353	24%

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 three business segments – After Market Services (AMS), Distribution Management Solutions (DMS) and Digital Inkjet Printing for Out-Of-Home Advertising Solutions (DPAS).

The breakdown of revenue and cost of goods sold and spare parts are as follows:

In S\$'000	4Q-16	4Q-15	YTD-16	YTD-15
Revenue				
AMS	8,145	6,805	30,704	22,211
DMS	76,079	77,295	280,535	289,921
DPAS	2,010	1,758	7,618	6,814
	<u>86,234</u>	<u>85,858</u>	<u>318,857</u>	<u>318,946</u>
Cost of goods sold and spare parts				
AMS	(6,120)	(5,147)	(23,543)	(16,038)
DMS	(70,476)	(71,641)	(260,069)	(268,421)
DPAS	(1,427)	(1,120)	(5,588)	(4,129)
	<u>(78,023)</u>	<u>(77,908)</u>	<u>(289,200)</u>	<u>(288,588)</u>
Gross profit				
AMS	2,025	1,658	7,161	6,173
DMS	5,603	5,654	20,466	21,500
DPAS	583	638	2,030	2,685
	<u>8,211</u>	<u>7,950</u>	<u>29,657</u>	<u>30,358</u>
GP%				
AMS	25%	24%	23%	28%
DMS	7%	7%	7%	7%
DPAS	29%	36%	27%	39%
	<u>10%</u>	<u>9%</u>	<u>9%</u>	<u>10%</u>

Gross margin for DPAS declined from 36% to 29% quarter-on-quarter and from 39% to 27% year-on-year, due mainly to the reclassification of plant and machinery depreciation expense of \$0.2 million in 4Q-16 and \$0.7 million for YTD-16 from other operating expenses to cost of goods sold.

Note 2 Other income consists of the following:

In S\$'000	4Q-16	4Q-15	YTD-16	YTD-15
Interest income	28	36	153	133
Rental income	-	(22)	6	138
Bad debts recovered - trade	-	-	12	24
Liabilities written back	2	135	2	155
Wage credit	-	-	314	305
Productivity and Innovation Credit Scheme payout	183	196	183	196
Others	28	109	124	260
	<u>241</u>	<u>454</u>	<u>794</u>	<u>1,211</u>

The negative rental income in 4Q-15 arose from a reclassification of rental income received from other income to revenue.

Note 3 Administrative expenses

The administrative expenses comprise mainly staff cost.

In S\$'000	4Q-16	4Q-15	YTD-16	YTD-15
Staff Cost				
AMS	1,488	1,282	5,196	4,554
DMS	2,287	2,388	8,657	9,392
DPAS	199	145	837	849
Management and HQ support staff costs (including Directors' fees)	662	645	2,414	2,329
	<u>4,636</u>	<u>4,460</u>	<u>17,104</u>	<u>17,124</u>

The increase in AMS's staff cost was due mainly to the recruitment of part timers to support the increase in repair volume.

Note 4 Other operating expenses

Other operating expenses consist of the following:

In S\$'000	4Q-16	4Q-15	YTD-16	YTD-15
Rental expenses	1,321	1,314	5,154	5,564
Depreciation expenses	237	445	909	1,634
Plant and equipment written off	17	-	91	59
(Gain) Loss on disposal of plant and equipment	(30)	1	(36)	4
Reversal of impairment of plant and equipment	-	(42)	(1)	(42)
Allowance (Reversal) for doubtful trade receivables	170	18	237	(346)
Reversal of allowance for doubtful other receivables	-	(1)	-	(194)
Bad debts written off - trade	-	46	2	47
Bad debts written off - non-trade	-	3	13	3
Allowance for inventories	106	474	432	1,186
Inventories written off	-	4	-	30
Reversal of provision for shop closure costs	-	(563)	(3)	(563)
Foreign exchange (gain) loss	(63)	197	13	158
	<u>1,758</u>	<u>1,896</u>	<u>6,811</u>	<u>7,540</u>

Lower allowance for inventories in YTD-16 compared to the corresponding period in FY 2015 was due mainly to a lower stock provision made against its handset inventory.

Lower depreciation expense in 4Q-16 and YTD-16 was due to the reclassification of depreciation of plant and equipment from the DPAS business amounting to \$195,000 in 4Q-16 and \$732,000 for YTD-16 from other operating expenses to cost of goods sold.

Note 5 Finance costs

Finance costs comprise interest on finance leases and short-term bank borrowings.

Note 6 Income tax credit / (expense)

The higher income tax expense for YTD-16 as compared to YTD-15 was due to reversal of over provision of taxation in 2Q-15 and 3Q-15. Higher tax credit in 4Q-16 as compared to 4Q-15 was due to the over provision of prior periods' taxation.

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-16	31-Dec-15	31-Dec-16	31-Dec-15
ASSETS					
Current assets					
Cash and bank balances		30,817	30,849	22,090	19,154
Trade receivables	1	20,867	18,763	3,554	2,873
Other receivables and prepayments	2	5,401	5,877	14,401	17,437
Inventories	3	20,232	17,541	2,092	1,735
Total current assets		<u>77,317</u>	<u>73,030</u>	<u>42,137</u>	<u>41,199</u>
Non-current assets					
Investment in subsidiaries		-	-	20,895	20,895
Investment in an associate		14	8	-	-
Other receivables and prepayments	2	839	86	-	-
Plant and equipment		4,271	4,190	391	382
Goodwill		2,798	2,798	-	-
Total non-current assets		<u>7,922</u>	<u>7,082</u>	<u>21,286</u>	<u>21,277</u>
Total assets		<u>85,239</u>	<u>80,112</u>	<u>63,423</u>	<u>62,476</u>
Current liabilities					
Trade payables	4	13,572	10,204	2,888	2,214
Other payables	5	7,341	7,545	947	1,244
Current portion of finance leases		570	419	83	80
Income tax payable		7	175	-	-
Total current liabilities		<u>21,490</u>	<u>18,343</u>	<u>3,918</u>	<u>3,538</u>
Non-current liabilities					
Finance leases		991	887	50	133
Deferred tax liabilities		118	151	-	-
Total non-current liabilities		<u>1,109</u>	<u>1,038</u>	<u>50</u>	<u>133</u>
Capital, reserves and non-controlling interests					
Share capital		153,652	153,652	153,652	153,652
Capital reserve		(859)	(859)	22	22
Share options reserve		311	316	311	316
Foreign currency translation reserve		(825)	(672)	-	-
Accumulated losses		(87,933)	(89,878)	(94,530)	(95,185)
Equity attributable to owners of the Company		<u>64,346</u>	<u>62,559</u>	<u>59,455</u>	<u>58,805</u>
Non-controlling interests		(1,706)	(1,828)	-	-
Total equity		<u>62,640</u>	<u>60,731</u>	<u>59,455</u>	<u>58,805</u>
Total liabilities and equity		<u>85,239</u>	<u>80,112</u>	<u>63,423</u>	<u>62,476</u>

Notes

1 Trade receivables

The Group's trade receivables turnover as at 31 December 2016 is 22 days (31 December 2015: 25 days).

2 Other receivables and prepayments

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

S\$'000	31-Dec-16	31-Dec-15
Rental deposits	1,413	1,518
Other receivables	2,758	3,449
Prepayments - current	776	618
Prepayments – non-current	258	86
Deposits for the purchase of property – non-current	581	-

Other receivables of \$2.8 million as at 31 December 2016 comprised mainly of \$1.7 million to be received from principals in relation to sell through, advertising and promotion support.

Prepayments of \$1 million as at 31 December 2016 comprised mainly of prepaid rentals for premises of \$0.2 million and prepayment of machinery of \$0.3 million.

Deposits of \$0.6 million as at 31 December 2016 was related to the purchase of property in Malaysia for DPAS operations.

3 Inventories

The Group's inventory turnover for the period ended 31 December 2016 is 24 days (31 December 2015: 22 days).

Group inventories as at 31 December 2016 stood at \$20.2 million (31 December 2015: \$17.5 million) with the increase in inventory holding due mainly to the purchase of prepaid cards towards period end, and higher inventory of prepaid cards held by our growing Myanmar prepaid cards business.

4 Trade payables

The Group's trade payables turnover as at 31 December 2016 is 15 days (31 December 2015: 17 days).

5 Other payables

The Group's other payables consist of the following:

S\$'000	31-Dec-16	31-Dec-15
Advertising, promotion and sell through funds from principals	1,485	1,411
Accrued staff costs	1,169	1,270
Other accrued operating expenses	981	896

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-16		As at 31-Dec-15	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
570	-	419	-

Amount repayable after one year

As at 31-Dec-16		As at 31-Dec-15	
Secured (\$'000)	Unsecured (\$'000)	Secured (\$'000)	Unsecured (\$'000)
991	-	887	-

Details of collateral

The secured borrowings comprise of outstanding finance lease of \$1.6 million on certain motor vehicles and machinery.

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**

In S\$'000	4Q-16	4Q-15	YTD-16	YTD-15
Operating activities				
Profit before income tax	1,253	967	3,167	3,041
Adjustments for:				
Depreciation expenses	432	445	1,641	1,634
Interest expenses	28	26	106	129
Interest income	(28)	(36)	(153)	(133)
(Gain) Loss on disposal of plant and equipment	(30)	1	(36)	4
Plant and equipment written off	17	-	91	59
Allowance for inventories	106	474	432	1,186
Inventories written off	-	4	-	30
Bad debts written off - trade	-	46	2	47
Bad debts written off - non-trade	-	3	13	3
Reversal of impairment on plant and equipment	-	(42)	(1)	(42)
Allowance (Reversal) for doubtful trade receivables	170	18	237	(346)
Reversal of allowance for doubtful other receivables	-	(1)	-	(194)
Employee share-based payments	-	9	-	39
Liabilities written back	(2)	(135)	(2)	(155)
Reversal of provision for shop closure costs	-	(563)	(3)	(563)
Share of (profits) losses of associate	(1)	(4)	(6)	6
Net foreign exchange gains	(160)	(147)	(142)	(547)
Operating cash flows before movements in working capital	1,785	1,065	5,346	4,198
Trade receivables	(5,459)	(2,309)	(2,343)	6,348
Other receivables and prepayments	(49)	2,390	225	5,287
Inventories	309	3,635	(3,123)	(1,267)
Trade payables	2,161	(4,313)	3,370	(6,737)
Other payables	278	(2,146)	(101)	(3,598)
Cash (used in) generated from operations	(975)	(1,678)	3,374	4,231
Interest received	28	36	153	133
Income tax refund (paid)	(90)	135	6	(252)
Net cash (used in) from operating activities	(1,037)	(1,507)	3,533	4,112
Investing activities				
Proceeds from disposal of plant and equipment	20	5	64	144
Purchase of plant and equipment (Note A)	(265)	(321)	(1,094)	(1,968)
Prepayment of plant and equipment	(258)	-	(258)	-
Deposits paid for the purchase of property	(581)	-	(581)	-
Acquisition of investment in an associate	-	-	-	(15)
Net cash used in investing activities	(1,084)	(316)	(1,869)	(1,839)
Financing activities				
Interest paid	(28)	(26)	(106)	(129)
Repayment of bank borrowings	-	-	-	(2,550)
Repayment of obligations under finance leases	(139)	(107)	(511)	(484)
Dividends paid to shareholders	-	-	(1,000)	-
Dividends paid to non-controlling interest	-	-	(78)	-
Net cash used financing activities	(167)	(133)	(1,695)	(3,163)
Net decrease in cash and cash equivalents	(2,288)	(1,956)	(31)	(890)
Cash and cash equivalents at beginning of period	33,066	32,765	30,809	31,699
Cash and cash equivalents at end of period	30,778	30,809	30,778	30,809

Notes

A. Purchase of plant and equipment:

In 4Q-16, the Group acquired plant and equipment with an aggregate cost of \$265,000 (4Q-15: \$609,000) using internal funding.

For YTD-16, the Group acquired plant and equipment with an aggregate cost of \$1,919,000 (YTD-15: \$2,256,000) of which \$825,000 (YTD-15: \$288,000) was acquired under finance lease arrangements.

B. Cash and cash equivalents at end of period comprise of:

In S\$'000	4Q-16	4Q-15
Cash	30,817	30,849
Less: Cash pledged	(39)	(40)
Cash and cash equivalents	<u>30,778</u>	<u>30,809</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 of the Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
Group								
Balance as at 1 January 2016	153,652	(859)	316	(672)	(89,878)	62,559	(1,828)	60,731
Total comprehensive income for the period								
(Loss) Profit for the period	-	-	-	-	(169)	(169)	262	93
Other comprehensive income for the period	-	-	-	162	-	162	42	204
Total	-	-	-	162	(169)	(7)	304	297
Transactions with owners, recognised directly in equity								
Transfer between reserves upon expiry of share option	-	-	(5)	-	5	-	-	-
Total	-	-	(5)	-	5	-	-	-
Balance as at 31 March 2016	153,652	(859)	311	(510)	(90,042)	62,552	(1,524)	61,028
Total comprehensive income for the period								
Profit for the period	-	-	-	-	536	536	165	701
Other comprehensive income (loss) for the period	-	-	-	(112)	-	(112)	13	(99)
Total	-	-	-	(112)	536	424	178	602
Transactions with owners, recognised directly in equity								
Dividends	-	-	-	-	(1,000)	(1,000)	-	(1,000)
Total	-	-	-	-	(1,000)	(1,000)	-	(1,000)
Balance as at 30 June 2016	153,652	(859)	311	(622)	(90,506)	61,976	(1,346)	60,630
Total comprehensive income for the period								
Profit (Loss) for the period	-	-	-	-	757	757	(67)	690
Other comprehensive loss for the period	-	-	-	(74)	-	(74)	(25)	(99)
Total	-	-	-	(74)	757	683	(92)	591

<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 of the Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
Balance as at 1 October 2016	153,652	(859)	311	(696)	(89,749)	62,659	(1,438)	61,221
Total comprehensive income for the period								
Profit for the period	-	-	-	-	1,816	1,816	(250)	1,566
Other comprehensive income for the period	-	-	-	(129)	-	(129)	(18)	(147)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(129)</u>	<u>1,816</u>	<u>1,687</u>	<u>(268)</u>	<u>1,419</u>
 Balance as at 31 December 2016	 <u>153,652</u>	 <u>(859)</u>	 <u>311</u>	 <u>(825)</u>	 <u>(87,933)</u>	 <u>64,346</u>	 <u>(1,706)</u>	 <u>62,640</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 of the Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
Balance as at 1 January 2015	153,652	(859)	277	56	(93,938)	59,188	(771)	58,417
Total comprehensive income for the period								
Profit for the period	-	-	-	-	684	684	50	734
Other comprehensive loss for the period	-	-	-	(156)	-	(156)	(48)	(204)
Total	-	-	-	(156)	684	528	2	530
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	11	-	-	11	-	11
Total	-	-	11	-	-	11	-	11
Balance as at 31 March 2015	153,652	(859)	288	(100)	(93,254)	59,727	(769)	58,958
Total comprehensive income for the period								
Profit (Loss) for the period	-	-	-	-	964	964	(255)	709
Other comprehensive income (loss) for the period	-	-	-	(33)	-	(33)	30	(3)
Total	-	-	-	(33)	964	931	(225)	706
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	10	-	-	10	-	10
Total	-	-	10	-	-	10	-	10
Balance as at 30 June 2015	153,652	(859)	298	(133)	(92,290)	60,668	(994)	59,674
Total comprehensive income for the period								
Profit (Loss) for the period	-	-	-	-	1,043	1,043	(585)	458
Other comprehensive loss for the period	-	-	-	(277)	-	(277)	(62)	(339)
Total	-	-	-	(277)	1,043	766	(647)	119
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	9	-	-	9	-	9
Total	-	-	9	-	-	9	-	9
Balance as at 30 September 2015	153,652	(859)	307	(410)	(91,247)	61,443	(1,641)	59,802

<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 of the Company</u>	<u>Non-controlling interests</u>	<u>Total</u>
Balance as at 1 October 2015	153,652	(859)	307	(410)	(91,247)	61,443	(1,641)	59,802
Total comprehensive income for the period								
Profit (Loss) for the period	-	-	-	-	1,369	1,369	(222)	1,147
Other comprehensive (loss) income for the period	-	-	-	(262)	-	(262)	113	(149)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(262)</u>	<u>1,369</u>	<u>1,107</u>	<u>(109)</u>	<u>998</u>
Transactions with owners, recognised directly in equity								
Dividends paid to non-controlling interest	-	-	-	-	-	-	(78)	(78)
Recognition of share-based payments	-	-	9	-	-	9	-	9
Total	<u>-</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>(78)</u>	<u>(69)</u>
Balance as at 31 December 2015	<u>153,652</u>	<u>(859)</u>	<u>316</u>	<u>(672)</u>	<u>(89,878)</u>	<u>62,559</u>	<u>(1,828)</u>	<u>60,731</u>

<u>In S\$'000</u> Company	<u>Share capital</u>	<u>Capital reserve</u>	<u>Share options reserve</u>	<u>Accumulated losses</u>	<u>Total</u>
Balance as at 1 January 2016	153,652	22	316	(95,185)	58,805
Loss for the period, representing total comprehensive loss for the period	-	-	-	(529)	(529)
Transactions with owners, recognised directly in equity					
Transfer between reserves upon expiry of share options	-	-	(5)	5	-
Total	-	-	(5)	5	-
Balance as at 31 March 2016	153,652	22	311	(95,709)	58,276
Loss for the period, representing total comprehensive loss for the period	-	-	-	(3)	(3)
Transactions with owners, recognised directly in equity					
Dividends	-	-	-	(1,000)	(1,000)
Total	-	-	-	(1,000)	(1,000)
Balance as at 30 June 2016	153,652	22	311	(96,712)	57,273
Profit for the period, representing total comprehensive income for the period	-	-	-	145	145
Balance as at 30 September 2016	153,652	22	311	(96,567)	57,418
Profit for the period, representing total comprehensive income for the period	-	-	-	2,037	2,037
Balance as at 31 December 2016	<u>153,652</u>	<u>22</u>	<u>311</u>	<u>(94,530)</u>	<u>59,455</u>

<u>In S\$'000</u> Company	<u>Share capital</u>	<u>Capital reserve</u>	<u>Share options reserve</u>	<u>Accumulated losses</u>	<u>Total</u>
Balance as at 1 January 2015	153,652	22	277	(96,227)	57,724
Profit for the period, representing total comprehensive income for the period	-	-	-	118	118
Transactions with owners, recognised directly in equity					
Recognition of share-based payments	-	-	11	-	11
Total	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>11</u>
Balance as at 31 March 2015	<u>153,652</u>	<u>22</u>	<u>288</u>	<u>(96,109)</u>	<u>57,853</u>
Loss for the period, representing total comprehensive loss for the period	-	-	-	(194)	(194)
Transactions with owners, recognised directly in equity					
Recognition of share-based payments	-	-	10	-	10
Total	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>10</u>
Balance as at 30 June 2015	<u>153,652</u>	<u>22</u>	<u>298</u>	<u>(96,303)</u>	<u>57,669</u>
Profit for the period, representing total comprehensive income for the period	-	-	-	172	172
Transactions with owners, recognised directly in equity					
Recognition of share-based payments	-	-	9	-	9
Total	<u>-</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>
Balance as at 30 September 2015	<u>153,652</u>	<u>22</u>	<u>307</u>	<u>(96,131)</u>	<u>57,850</u>
Profit for the period, representing total comprehensive income for the period	-	-	-	946	946
Transactions with owners, recognised directly in equity					
Recognition of share-based payments	-	-	9	-	9
Total	<u>-</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>
Balance as at 31 December 2015	<u><u>153,652</u></u>	<u><u>22</u></u>	<u><u>316</u></u>	<u><u>(95,185)</u></u>	<u><u>58,805</u></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

There were no movements in the Company's issued share capital for the quarter ended 31 December 2016 and 31 December 2015.

As at 31 December 2016, the Company's issued and paid-up capital was \$153,652,141 (4Q-15: \$153,652,141) divided into 12,528,241,084 (4Q-15: 12,528,241,084) shares.

Share options

The Company had 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. The Scheme expired on 12 January 2013. Upon expiration of the Scheme, no further share option can be granted but the provisions of the Scheme will remain in full force and effect in respect of any share options granted prior to the expiration but not exercised at the time of expiration.

At 31 December 2016, there were 43,485,000 (31 December 2015: 45,155,000) outstanding share options which would entitle the holders to subscribe for a total of 43,485,000 (31 December 2015: 45,155,000) ordinary shares. If exercised, these share options represent approximately 0.35% of the share capital consisting of 12,528,241,084 issued shares at 31 December 2016.

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-16	31-Dec-15
Issued and paid up	<u>12,528,241,084</u>	<u>12,528,241,084</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 2015.

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 2016, 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

Earnings per ordinary share <i>(based on consolidated net profit attributable to equity holders of the Company)</i>	4Q-16 cents	4Q-15 cents	YTD-16 cents	YTD-15 cents
- Basic	0.014	0.011	0.023	0.032
- Fully diluted	<u>0.014</u>	<u>0.011</u>	<u>0.023</u>	<u>0.032</u>

Basic earnings per ordinary share is computed based on the weighted average number of shares in issue during the period of 12,528,241,084 (4Q-15: 12,528,241,084).

In 4Q-16, 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 12,528,241,084.

In 4Q-16, the share options were anti-dilutive and hence disregarded in the calculation of diluted earnings per share.

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-16 Cents	31-Dec-15 Cents	31-Dec-16 Cents	31-Dec-15 Cents
Net Asset Value ("NAV") per share	<u>0.51</u>	<u>0.50</u>	<u>0.47</u>	<u>0.47</u>

The NAV per share as at 31 December 2016 is calculated based on 12,528,241,084 (31 December 2015: 12,528,241,084) 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 (loss) profit after income tax

The Group's quarter-on-quarter and year-on-year revenue remained relatively unchanged. Higher revenues generated from the AMS business for 4Q-16 and YTD-16 arose from a higher repair volume, which mitigated the decline in DMS revenues in 4Q-16 and YTD-16 of 2% and 3% respectively.

Quarter-on-quarter gross profit margin increased from 9% to 10%, while the year-on-year gross profit margin declined from 10% to 9%. AMS margins were lower in YTD-16 due to higher cost of repairs. Gross margin for DPAS declined due mainly to the reclassification of plant and machinery depreciation expense to cost of goods sold and the higher imported raw material costs arising from the weaker Ringgit.

The Group's net profits increased by \$0.42 million from \$1.15 million in 4Q-15 to \$1.57 million in 4Q-16, arising from higher revenues and lower expenses. YTD-16 net profits of \$3.05 million were consistent with that of YTD-15.

Cash flow

In 4Q-16, the Group has a deficit cash of \$1.04 million from operations, due mainly to higher outstanding balances owing by principals.

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**

While the Group's AMS, DMS and DPAS businesses have remained profitable in FY 2016, the challenging operating and economic conditions in Singapore and Malaysia, and the uncertain global economy, will continue to exert pressure on the Group's profitability for FY 2017.

The Group remains committed to its on-going strategy to build new revenue streams and markets, by continuing to explore merger and acquisition opportunities both within and outside of Singapore.

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

In S\$'000	FY2016	FY2015	Inc/(Dec)
Sales reported for first half year	151,995	153,403	-1%
Operating profit after tax before deducting non-controlling interests reported for first half year	794	1,443	-45%
Sales reported for second half year	166,862	165,543	1%
Operating profit after tax before deducting non-controlling interests reported for second half year	2,256	1,605	41%

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	\$0.0001038 per share
Dividend Amount	\$1.3 million (approximate)
Tax rate	Tax exempt (One-Tier tax)

(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	\$0.0000798 per share
Dividend Amount	\$1,000,000
Tax rate	Tax exempt (One-Tier tax)

(c) Date payable

Subject to shareholders' approval at the annual general Meeting proposed to be held on 28 April 2017, the proposed first and final dividend will be paid on 23 May 2017.

(d) Books closure date

The Share Transfer Books and Register of Members of the Company will be closed from 9 May 2017 at 5:00 p.m. to 10 May 2017 (both dates inclusive), for the purpose of determining shareholders' entitlement to the Company's proposed first and final (tax exempt one-tier) dividend, to be paid on 23 May 2017 subject to shareholders' approval at the forthcoming Annual General Meeting (the "Proposed Dividend"). For Proposed Dividend on a per share basis, please refer to note 12(a).

Duly completed registrable 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 9 May 2017 will be registered to determine shareholders' entitlement to the Proposed Dividend.

Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares as at 5:00 p.m. on 9 May 2017 will be entitled to the 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 into three business segments, After-Market Services ("AMS"), Distribution Management Solutions ("DMS") and Digital Inkjet Printing for Out-Of-Home Advertising Solutions ("DPAS").

AMS provides after market services 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 DPAS provides digital inkjet printing for point-of-sale and out-of-home advertising solutions.

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) Segment revenues and results

FY2016 \$'000	AMS	DMS	DPAS	Unallocated	Total
Segment revenue					
External	30,704	280,535	7,618	-	318,857
Inter-segment	-	-	-	-	-
	<u>30,704</u>	<u>280,535</u>	<u>7,618</u>	<u>-</u>	<u>318,857</u>
Segment result					
Rental income	1,208	1,246	546	238	3,238
Net foreign exchange loss	-	6	-	-	6
Gain on disposal of plant and equipment					(13)
Finance costs					36
					(106)
Profit before income tax & share of associate results					<u>3,161</u>
Share of profit of associate					<u>6</u>
					3,167
Income tax expense					(117)
Net profits for the year					<u>3,050</u>
Segment assets	<u>14,599</u>	<u>45,263</u>	<u>11,465</u>	<u>13,912</u>	<u>85,239</u>
Segment liabilities	<u>(3,999)</u>	<u>(16,126)</u>	<u>(2,349)</u>	<u>(125)</u>	<u>(22,599)</u>
Other segment information					
Capital expenditure	164	626	1,129	-	1,919
Depreciation	152	663	826	-	1,641
Reversal Impairment of plant and equipment	-	(1)	-	-	(1)

FY2015 \$'000	AMS	DMS	DPAS	Unallocated	Total
Segment revenue					
External	22,211	289,921	6,814	-	318,946
Inter-segment	-	-	-	-	-
	<u>22,211</u>	<u>289,921</u>	<u>6,814</u>	<u>-</u>	<u>318,946</u>
Segment result					
Rental income	641	3,262	786	(1,489)	3,200
Net foreign exchange loss	-	138	-	-	138
Loss on disposal of plant and equipment					(158)
Finance costs					(4)
					(129)
Profit before income tax & share of associate results					<u>3,047</u>
Share of losses of associate					<u>(6)</u>
					<u>3,041</u>
Income tax credit					<u>7</u>
Net profits for the year					<u>3,048</u>
Segment assets	<u>10,452</u>	<u>45,884</u>	<u>9,863</u>	<u>13,913</u>	<u>80,112</u>
Segment liabilities	<u>(3,196)</u>	<u>(13,570)</u>	<u>(1,784)</u>	<u>(831)</u>	<u>(19,381)</u>
Other segment information					
Capital expenditure	117	874	1,265	-	2,256
Depreciation	229	790	615	-	1,634
Reversal Impairment of plant and equipment	-	(42)	-	-	(42)

(b) Geographical information

	Revenue from external customers	
	FY2016 \$'000	FY2015 \$'000
Singapore	256,261	268,172
Malaysia	7,024	6,757
Myanmar	55,572	44,017
	<u>318,857</u>	<u>318,946</u>

	Non-current assets	
	FY2016 \$'000	FY2015 \$'000
Singapore	1,466	1,523
Malaysia	5,553	4,375
Myanmar	903	1,184
Total	<u>7,922</u>	<u>7,082</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	444	-
Total	444	-

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.

16. Use of proceeds

In 4Q-16, the Company did not utilize any proceeds from the conversion of warrants pursuant to the renounceable non-underwritten rights cum warrants issue undertaken by the Company in 2011.

As at 31 December 2016, the balance of proceeds was \$13,912,000.

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	52	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 change

18. Confirmation of Undertakings under Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Mainboard Rules.

BY ORDER OF THE BOARD

Ong Ghim Choon
Chief Executive Officer
23 February 2017

Negative Assurance Confirmation under Rule 705(5) of the Listing Manual

We, Ng Tiak Soon and Ong Ghim Choon, being two directors of mDR Limited (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the fourth quarter 2016 financial results to be false or misleading in any material respect.

On behalf of the Board of Directors

Ng Tiak Soon
Chairman of Audit Committee

Ong Ghim Choon
Chief Executive Officer

Singapore, 23 February 2017