

**mDR Limited**  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 200009059G)  
(the “**Company**”)

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**MINUTES OF 18<sup>th</sup> ANNUAL GENERAL MEETING**

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**VENUE** : Hilton Singapore  
Panorama 2, Level 24  
581 Orchard Road, Singapore 238883

**DATE** : 29 April 2019 (Monday)

**TIME** : 2.00 p.m.

**PRESENT**

Shareholders/Proxies : See attendance list

**IN ATTENDANCE**

Board of Directors : Mr Edward Lee Ewe Ming (“*Chairman*”)  
Mr Ong Ghim Choon (*CEO / “Mr Ong”*)  
Ms Connie Zhang (*Executive Director*)  
Mr Mark Leong Kei Wei (*Director, Chairman of the Audit Committee*)  
Mr Oei Su Chi, Ian (*Director, Chairman of the Remuneration Committee*)  
Mr Lai Yew Fei (*Director, Chairman of the Nominating Committee*)

Company Secretary : Mr Madan Mohan

By invitation : Mr Richard Siua (*Group COO*)  
Ms Yip Li San (*Group CFO*)  
Ms Jennifer Sng (*HR Manager*)  
Ms Joanne Lim (*Deloitte and Touche LLP*)  
Mr Vincent Lim (*Deloitte and Touche LLP*)

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**1. QUORUM**

1.1 As a quorum was present, Chairman called the meeting to order and declared the annual general meeting (“**AGM**” or “**Meeting**”) of the Company open at 2.00 p.m.

**2. NOTICE OF MEETING**

2.1 Chairman thanked the shareholders for their attendance at the meeting. He introduced the attendees from the Board and management. Chairman informed the shareholders that an Extraordinary General Meeting (“**EGM**”) to consider the proposed capital reduction will be held immediately after the conclusion of the AGM.

2.2 The Notice of Meeting dated 5 April 2019 as set out on page 155 to 160 of the Annual Report 2018 (“**AR 2018**”) to convene the Meeting which had been sent to shareholders (“**AGM Notice**”), announced on SGXNet and published in *The Business Times*, with the consent of shareholders was taken as read.

2.3 Chairman informed the shareholders that all resolutions at the Meeting would be put to vote by way of a poll which is in line with the Company’s commitment towards promoting greater

corporate transparency and the recommendation in the Code of Corporate Governance 2012. He added that poll would be conducted in a paperless manner using a wireless handheld device which had been issued upon registration. He noted that Samas Management Consultants Pte Ltd (“**Samas**”), the scrutineers for the AGM, will run a demonstration and they will demonstrate how the poll is to be done. He added that previously, we used to have 15 seconds voting time and now we have extended it to 20 seconds to ensure that all shareholders have more time to vote. After that Chairman invited the scrutineers to run through a presentation to familiarise shareholders with the voting process. Ms Joyce Kwan of Samas explained the procedures for voting by electronic poll. After Ms Kwan’s explanation of the electronic poll voting procedures and a test resolution being carried out, Chairman proceeded with the business of the Meeting.

**3. CORPORATE PRESENTATION AND QUESTIONS AND ANSWERS**

3.1 Chairman delivered a corporate presentation on Group’s FY2018 results. He informed the shareholders that the presentation slides will be available on SGXNet and the Company’s corporate website after SGX’s trading hours.

3.2 Chairman thereafter invited questions from the shareholders. A summary of the questions asked by the shareholders in the Meeting and the answers given by the Board and/or the management is set out and annexed herein in **Appendix A**.

**4. RESOLUTION 1: DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2018**

4.1 Chairman noted Resolution 1 as set out in the AGM Notice.

4.2 Resolution 1 was proposed by Justina and seconded by See Yen Nee.

4.3 The results of the voting on Resolution 1 by way of poll are as follows:

| Ordinary Resolution   | Total          | For            |       | Against       |      |
|---|----------------|----------------|-------|---------------|------|
|   |                | No. of Shares  | %     | No. of Shares | %    |
| Directors’ Statement and audited Financial Statements for the year ended 31 December 2018 | 44,218,668,951 | 44,183,788,951 | 99.92 | 34,880,000    | 0.08 |

4.4 Based on the results of the poll, Chairman declared Resolution 1 passed by a majority of votes cast.

**5. RESOLUTION 2: DECLARATION OF FINAL TAX EXEMPT (ONE-TIER) DIVIDEND OF S\$2 MILLION (APPROXIMATE) FOR THE YEAR ENDED 31 DECEMBER 2018**

5.1 Chairman noted Resolution 2 as set out in the AGM Notice.

5.2 Resolution 2 was proposed by Chia Hiap Lee and seconded by See Yen Nee.

5.3 The results of the voting on Resolution 2 by way of poll are as follows:

| Ordinary Resolution | Total | For           |   | Against       |   |
|---------------------|-------|---------------|---|---------------|---|
|                     |       | No. of Shares | % | No. of Shares | % |

|   |                |                |       |           |      |
|---|----------------|----------------|-------|-----------|------|
| Declaration of final tax exempt (one-tier) dividend of S\$2 million (approximate) for the year ended 31 December 2018 | 44,219,589,951 | 44,213,589,951 | 99.99 | 6,000,000 | 0.01 |
|---|----------------|----------------|-------|-----------|------|

5.4 Based on the results of the poll, Chairman declared Resolution 2 passed by a majority of votes cast.

**6. RESOLUTION 3: RE-ELECTION OF MR ONG GHIM CHOON AS A DIRECTOR**

6.1 Chairman noted Resolution 3 as set out in the AGM Notice.

6.2 Resolution 3 was proposed by Wong Han Yew and seconded by Chew Soon Hui.

6.3 The results of the voting on Resolution 3 by way of poll are as follows:

| Ordinary Resolution                            | Total          | For            |       | Against       |      |
|--|----------------|----------------|-------|---------------|------|
|  |                | No. of Shares  | %     | No. of Shares | %    |
| Re-election of Mr Ong Ghim Choon as a Director | 38,241,457,961 | 38,225,642,961 | 99.96 | 15,815,000    | 0.04 |

6.4 Based on the results of the poll, Chairman declared Resolution 3 passed by a majority of votes cast.

**7. RESOLUTION 4: RE-ELECTION OF MR OEI SU CHI, IAN AS A DIRECTOR**

7.1 Chairman noted Resolution 4 as set out in the AGM Notice.

7.2 Resolution 4 was proposed by See Yen Ni and seconded by proxy Justina.

7.3 The results of the voting on Resolution 4 by way of poll are as follows:

| Ordinary Resolution                             | Total          | For            |       | Against       |      |
|---|----------------|----------------|-------|---------------|------|
|   |                | No. of Shares  | %     | No. of Shares | %    |
| Re-election of Mr Oei Su Chi, Ian as a Director | 44,069,988,551 | 43,679,565,251 | 99.11 | 390,423,300   | 0.89 |

7.4 Based on the results of the poll, Chairman declared Resolution 4 passed by a majority of votes cast.

**8. RESOLUTION 5: APPROVAL OF DIRECTORS' FEES OF UP TO S\$300,000 FOR THE YEAR ENDING 31 DECEMBER 2019**

8.1 Chairman noted Resolution 5 as set out in the AGM Notice.

8.2 Resolution 5 was proposed by See Yen Nee and seconded by Tan Eng Gee.

8.3 The results of the voting on Resolution 5 by way of poll are as follows:

| Ordinary Resolution | Total | For | Against |
|---------------------|-------|-----|---------|
|---------------------|-------|-----|---------|

|  |                | No. of Shares  | %     | No. of Shares | %    |
|--|----------------|----------------|-------|---------------|------|
| Approval of Directors' fees of up to S\$300,000 for the year ending 31 December 2019 | 44,000,346,216 | 43,506,552,151 | 98.88 | 493,794,065   | 1.12 |

8.4 Based on the results of the poll, Chairman declared Resolution 5 passed by a majority of votes cast.

**9. RESOLUTION 6: TO RE-APPOINT DELOITTE AND TOUCHE LLP AS THE AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

9.1 Chairman noted Resolution 6 as set out in the AGM Notice.

9.2 Resolution 6 was proposed by Chew Soon Hui and seconded by Justina.

9.3 The results of the voting on Resolution 6 by way of poll are as follows:

| Ordinary Resolution   | Total          | For            |       | Against       |      |
|---|----------------|----------------|-------|---------------|------|
|   |                | No. of Shares  | %     | No. of Shares | %    |
| To re-appoint Deloitte and Touche LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration | 44,219,462,951 | 44,139,162,951 | 99.82 | 80,300,000    | 0.18 |

9.4 Based on the results of the poll, Chairman declared Resolution 6 passed by a majority of votes cast.

**10. RESOLUTION 7: AUTHORITY TO ISSUE ORDINARY SHARES**

10.1 Chairman noted Resolution 7 as set out in the AGM Notice.

10.2 Resolution 7 was proposed by Brenda Ting and seconded by Chew Soon Hui.

10.3 The results of the voting on Resolution 7 by way of poll are as follows:

| Ordinary Resolution                | Total          | For            |       | Against       |      |
|------------------------------------|----------------|----------------|-------|---------------|------|
|                                    |                | No. of Shares  | %     | No. of Shares | %    |
| Authority to issue ordinary shares | 44,180,430,951 | 43,781,702,651 | 99.10 | 398,728,300   | 0.90 |

10.4 Based on the results of the poll, Chairman declared Resolution 7 passed by a majority of votes cast.

**11. RESOLUTION 8: AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE MDR SHARE PLAN 2018**

11.1 Chairman noted Resolution 8 as set out in the AGM Notice.

11.2 Resolution 8 was proposed by Brenda Ting and seconded by See Yen Nee.

11.3 The results of the voting on Resolution 8 by way of poll are as follows:

| Ordinary Resolution   | Total          | For            |       | Against       |      |
|---|----------------|----------------|-------|---------------|------|
|   |                | No. of Shares  | %     | No. of Shares | %    |
| Authority to allot and issue Shares under the mDR Share Plan 2018 | 13,827,985,336 | 13,393,496,371 | 96.86 | 434,488,965   | 3.14 |

11.4 Based on the results of the poll, Chairman declared Resolution 8 passed by a majority of votes cast.

## 12. **RESOLUTION 9: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

12.1 Chairman noted Resolution 9 as set out in the AGM Notice.

12.2 Resolution 9 was proposed by Brenda Ting and seconded by Chia Hiap Lee.

12.3 The results of the voting on Resolution 9 by way of poll are as follows:

| Ordinary Resolutions                           | Total          | For            |       | Against       |      |
|--|----------------|----------------|-------|---------------|------|
|  |                | No. of Shares  | %     | No. of Shares | %    |
| Proposed renewal of the Share Buy-back Mandate | 20,326,162,936 | 20,265,977,936 | 99.70 | 60,185,000    | 0.30 |

12.4 Based on the results of the poll, Chairman declared Resolution 9 passed by a majority of votes cast.

## 13. **CLOSURE**

13.1 There being no other business to transact, Chairman then proceeded for the EGM of the Company held on the same date and venue immediately after the AGM. The AGM closed at 3:18 p.m.

Confirmed by

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**Mr Edward Lee**  
*Chairman of Meeting*

Dated 29 April 2019

## **ANNEXURE A**

- 1. Mr Lau Soon Leong (“Mr Lau”) referred to page 9 of the Annual Report 2018 (“AR2018”) and asked about the future of the DMS division, as it did not do very well in 2018?**

Chairman replied that currently DMS is doing well and the Group is optimistic that DMS will remain profitable even though there would be challenges and competition. He added that our Q1-2019 results will be announced in about 2 weeks' time and it should be a good indicator of DMS's performance for this year.

- 2. Mr Lau asked about the Group's venture into the cosmetics business and its prospects in view of cosmetics industry in general being very competitive?**

Chairman replied that the VT cosmetics business is something we are trying out. In terms of capital outlay and plans, it is not expected to significantly affect the upside or the downside of our business. We have currently 2 stores in Singapore. Based on our assessment, we will maintain one store which we believe should be profitable, and we plan to close the other store. Chairman added that part of the VT cosmetics business is not just retail in Singapore, but also the distribution business in Indonesia and Malaysia. Cost to us for overseas distribution will be negligible because we don't intend to open any retail stores. Our local partners will set up and manage the overseas stores. We expect the distribution in Indonesia and Malaysia to be operational by the 2<sup>nd</sup>/3<sup>rd</sup> quarter of 2019.

- 3. Mr Lau asked what is DPAS? He commented that the margins of the DPAS business appear not very attractive. He enquired about its competitiveness and whether it is a cash cow?**

Chairman replied that the DPAS business is our digital inkjet printing business in Malaysia. Primarily we print billboards. The DPAS business is competitive. However, the entry barriers are high because this business is capital intensive. For example, we have a few German printing machines, which cost in the range of US\$500,000.

Pixio is running well and has over the years established a stable loyal clientele. In that sense, Chairman acknowledged that the DPAS business is pretty much a cash cow. Pixio purchased its own office property in early 2017. Pixio is also working to expand its business further. Chairman noted that we work closely with our Malaysia team to set targets and have incentives in place such as profit share to motivate key staff.

Chairman said that the Group is undergoing a transformation and we believe that the investment division will be the key driving force for profits, dividends and for the growth of the Group. He added that the legacy businesses that we have inherited will bring in profits but are not expected to be game changers. As such, management is focused more on the transformation of the Group.

- 4. Mr Lau said that as we are focusing more on investments, going forward, does the Company have plans to mitigate a possible market crash?**

Chairman said that as mentioned in the Chairman's Statement in AR2018, he believes a serious financial crisis and a major market dislocation may be looming. The stocks that we have invested in, are substantially undervalued in our view, which already creates some downside protection. We performed better than the STI last year. We are confident that the performance should be even better this year. We have invested in equities about \$63m-\$65m. One of our largest positions of about S\$20m was in M1 which has since been privatised. If the market dislocation happens, we have the ability to take on some leverage. We have also invested in safer instruments like bonds but only bonds with short duration, those that are maturing within 1-2 years. In a market dislocation situation, usually there is a peak, then a plateau followed by a decline. But from the peak to the trough of the bottom, it usually takes about 18 months. So if we have a portfolio of bonds that mature in 1-2 years we should be able to capture the potential upside at the right time. But in the interim, the weighted average yield on our bond portfolio comes quite close to our equity portfolio. We have invested in largely BB+ bonds which is a sweet spot between the risks and rewards.

- 5. Mr Lau said that he understands from the presentation on FY2018 results that the Company is largely invested in only the Singapore market (SGX listed securities). He asked why instead of putting all the eggs into one basket, the Company has not diversified in other markets?**

Chairman said that the size of our Company is relatively still small and as such we don't find the need to diversify across geographies. Secondly, we want to invest in things that we know best. Being a local in Singapore with knowledge of the local market, we have a competitive edge with things we are familiar with compared to companies overseas. There are some interesting companies overseas. The only problem is that if we invest in the US or Europe market, there is withholding tax which will eat into the returns, unlike investing in Singapore or Hong Kong where there are no capital gains tax. Chairman acknowledged that the largest corporations are still the big multinationals and going forward, as the size of the Company grows, management believes there will be more exposure to investments in overseas markets.

- 6. Mr Lau asked whether in view of the high volume of mDR's shares in the market, the Company plans to consolidate its shares?**

Chairman replied that the Company currently has no plans of shares consolidation. Mr Lau commented that shares consolidation has not resulted in the desired benefits that companies which had consolidated their shares hoped for. Chairman reassured Mr Lau that the Company is not considering shares consolidation.

- 7. Mr Timothy commented that the proposed Directors' fees of up to S\$300,000 is high, considering the dividend amount of S\$2 million and the size of the Company. Mr Timothy also asked about the remuneration of the executive directors ("EDs")?**

Chairman said that the Directors' fees for FY2018 is \$187,000 (disclosed in the AR2018 and set out in the Notice of AGM), which is a small proportion of the Company's dividend. We should take into account the directors' fees to the usual baseline fees in the market for similar companies and also the background, qualifications and capability of the individual directors. We have independent directors comprising of a partner from Rajah & Tann, executive director, cum the Legal and Compliance officer from Guotai Junan, and a former CFO of Westcomb Financial Group. Chairman emphasized that the Company believes that our directors are not paid substantially higher than the market rate. Chairman noted that since he came on-board, the Company reduced directors' fees by about half. The proposed fees of up to S\$300,000 with excess allowance is to cater to a scenario where we venture into a new industry and there is an expansion of the Board. There is no increase in the proposed fees and it is the same as what has been approved in the last several years.

Chairman said that the salary of the EDs is set out on page 39 and 95 of the AR2018. The Company has gone through a significant transformation and is growing. Company's balance sheet has also grown from \$66m to about \$130 million. Considering the time, effort, additional scope of works, feedback from salary consultants, there has been adjustments to the remuneration of the Executive Directors, which we believe from market comparison is fair.

- 8. Shareholder Mr Nodu Santhosh commented that mDR has been doing good and it has improved a lot in terms of its status and transparency. The Company is not only paying dividends, but also increasing the dividend gradually. He noted that he has already exercised his Tranche 2 Warrants. He complimented the management to keep up the good work. He commented that, however he feels that the Company keeps losing its business focus. He asked, whether mDR is going to remain a technology Company, which is a low margin business?**

Chairman conceded that the margins of our existing DMS business is low and that it is a high volume business. He noted that we work very closely with our principals. He emphasized that we will continue with our legacy businesses as long as there is positive contribution.

Chairman noted that one reason why we moved to investments is because investments give us the flexibility to assess where we want to be and we are not stuck in any specific industry if we find

opportunities in other industries. We will eventually invest in property, when the market and price is good.

Chairman acknowledged that he feels that our results this year were slightly disappointing as our profits did come down a bit. It is not as optimal as it should be but he believes we are right now at the bottom of where it is going to be in terms of profits and dividends.

With regards to the exercise of the Tranche 2 warrants, Chairman commended Mr Nodu, as having exercised the Tranche 2 warrants earlier, he would be entitled to more dividend. Chairman added that he intended to convert his portion of Tranche 2 warrants, however he decided against it as a gesture of good faith, as doing so would have proportionately reduced the dividend entitlement of the other shareholders.

**9. Mr Mok Kee Soi (“Mr Mok”) asked about the proceeds raised from the Rights and Warrants?**

Chairman noted that we have raised about S\$31m from the Rights and \$35.8m from the Tranche 1 Warrants.

**10. Mr Mok referring to the income statement of AR2018, commented that he understands that most of the revenue of the Group comes from the mobile devices. He asked Mr Ong about the future of the DMS business going forward?**

Mr Ong replied that the DMS business is very dependent on the success of the products of its key principals. If the newly launched phone models do well, our revenues will be better and vice versa. He noted that the online sales of mobile phones in Singapore is still low. So whatever we are doing in terms of distribution and retail there is still a market. As such, we will continue with our strategy to operate retail stores at locations which are profitable.

**11. Mr Mok referring to page 4 of the AR2018 noted that most of our phones are the Korean and Japanese brands. Have we explored the Chinese brands and will it be better if we have direct arrangement with Chinese brands?**

Mr Ong replied that we are currently selling the Chinese phone brands in our stores. We sell these directly via our retail stores and also under the contract plans of the operators.

**12. Mr Mok noted that the Company has roughly \$79-\$80 million investments currently. He asked whether the investments are managed by the in-house team or external consultants.**

Chairman replied that Company's investments are managed by the in-house team, primarily by himself and he takes the key decisions on allocation of funds and the industries to invest in, and the rest of the team helps gather and analyse the information. The Board assesses all the investment proposals.

**13. Mr Mok commented that based on the presentation made, the Company has invested in several diversified industries. He enquired how does the management analyse a particular investment or what are the criteria that management considers before making an investment?**

Chairman replied that investment is not 100% statistical science but it's a balance of art and science. He added that if one goes through various research articles and statistics, stock selection is not the highest attribution of returns, it is actually the asset allocation. Some of the criteria management generally considers are — the kind of asset allocation, how much to invest in equities and bonds, and how much to invest in various industries.

**14. Mr Mok referred to page 134 of the AR2018 and asked about the expense of \$4.39m for operating lease arrangements?**

Mr Ong replied that these expenses are minimum lease payments under operating leases on account of various leases of our office premises, retail outlets (including Singtel and M1 stores) and service centres, recognised as an expense during the year.



- 15. Mr Mok asked whether Pixio's property is fully occupied and whether we plan to sell it as Pixio is not doing very well? He asked whether it would be better if Pixio rents a smaller space?**

Mr Ong replied that the Company is not currently planning to sell Pixio's property in Petaling Jaya. If Pixio's property price appreciates significantly someday, we may consider to sell it. However, currently Pixio is fully utilising the premises. Pixio has only moved in the new premises in 2017 and moving to another premises would involve additional set-up costs because of the large equipments.

- 16. Mr Mok commented that the Company's cash on hand is not much as the Company has invested most of the money on investments in securities. He said that we know the economic climate currently is not so good in view of the ongoing trade war between the US and China. He asked whether it is better to save more money, just in case if there is a market crash, then the Company can utilize the funds.**

Chairman reiterated that we believe there may be a market crash in the future and there will be a correction, and that's why we have invested about \$63 million in securities purchased at a low price. So the downside risk is much reduced. On the point about the idle cash reserve, we should note that the fixed deposit returns are at most average 1.9% and we all know that money sitting idle is eaten away by inflation. Currently, we are earning an average 5.7% return in short duration bonds. We are positioning ourselves for the market crash and when it starts and if it does happen, by then the bonds should mature and we should be well positioned to tap the available opportunities.