



MDR Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 200009059G)

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## BUSINESS UPDATE ON INVESTMENT IN A DEBT SECURITY

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The Board of Directors (the “**Board**”) of mDR Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide the following business update.

The Group has invested S\$86.1 million in equity securities (at fair value) and S\$29.8 million in debt securities (at amortised cost) as at 30 November 2020. Of the various investments made in debt securities, the Group had invested in an offshore debt security of Tsinghua Unigroup, one of the largest state-linked advanced technologies and innovation services conglomerate in China, with the aggregate investment nominal value of US\$20m (US\$17.4 million on a net cash outlay basis after considering interest payments and investment cost), which is due for maturity on 31 January 2021 (“**2021 Debt Security**”). The 2021 Debt Security was issued by Tsinghua Unic Limited (“**Issuer**”) and unconditionally and irrevocably guaranteed by Tsinghua Unigroup Co., Ltd. (“**Tsinghua Unigroup**” or “**Guarantor**”). Tsinghua Unigroup is majority (51%) owned by Tsinghua Holdings (a wholly-owned subsidiary of Tsinghua University). Tsinghua Unigroup was initially rated AAA by China Chengxin International Credit Rating Co. (“**China Chengxin**”). Tsinghua Unigroup’s credit rating was downgraded to BBB on 16 November 2020 by China Chengxin.

The Board understands that Tsinghua Unigroup has been unable to repay the principal for its offshore dollar bond that was due for maturity on 10 December 2020. The Issuer and the Guarantor are of the view that the aforesaid failure to pay the principal, will constitute a cross-default under the conditions of, *inter alia*, the 2021 Debt Security. Tsinghua Unigroup is looking into various ways to resolve the current liquidity issue.

The Board will be assessing the loss allowance/impairment required due to the significant increase in credit risk of the 2021 Debt Security. Excluding the aforesaid default, the Group’s ongoing business and operations remain cashflow positive. Barring any unforeseen circumstances, there is no impact on the Group’s ability to continue as going concern and its ability to fulfil its near-term obligations, taking into account the Group’s financial position in terms of the net asset value and cash and bank balances available to the Group.

The Company will continue to monitor the updates and will make the appropriate announcement(s) to keep shareholders updated on any material developments. Shareholders and potential investors of the Company are advised to exercise caution when trading in the shares of the Company and are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors who are in any doubt as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

### BY ORDER OF THE BOARD

**Madan Mohan**  
*Company Secretary*

10 December 2020