



MDR Limited

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 200009059G)

---

## RESPONSE TO SGX-ST'S QUERY

---

The board of directors (the “**Board**”) of mDR Limited (the “**Company**”) refers to the following queries received from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 31 May 2018:

*The Company entered into two financing arrangements with Epicentre Pte Ltd in respect of an aggregate loan amount of S\$5 million. On 29 March 2018, the Company entered into a transfer arrangement agreement with Mr Edward Lee for the transfer of substantially all the risks and rewards from the Company to Mr Edward Lee, without recourse, of the remaining balance of S\$2.327 million.*

- (a) *Please disclose whether the remaining balance of S\$2.327 million has been received by the Company from Mr Edward Lee.*
- (b) *Explain why the Company entered into the transfer arrangement agreement with Mr Edward Lee.*
- (c) *What are the Company’s considerations for entering into the financing arrangements which are not in the ordinary course of the Company’s business?*
- (d) *Disclose whether there is any connection (including business dealings) between the Company’s directors or controlling shareholders with Epicentre Pte Ltd, its directors or its shareholders.*
- (e) *Please confirm whether the Company has to-date received the full amount of the principal amount and interest income arising from the 2 financing arrangements.*

### **Company’s Response:**

- (a) Please disclose whether the remaining balance of S\$2.327 million has been received by the Company from Mr Edward Lee.**

The remaining balance of S\$2.327 million has been received by the Company from Mr Edward Lee (“Mr Lee”).

- (b) Explain why the Company entered into the transfer arrangement agreement with Mr Edward Lee.**

Epicentre Pte Ltd (the “Borrower”) failed to make timely repayments of certain tranches of the loan amount by due date(s) despite several extensions for repayment. The Company sought to recover the balance debt from the Borrower. Taking into account that the recovery of the potentially deteriorating debt could have been arduous and would incur additional legal costs and Company’s rights under the personal guarantee from Mr Lee, the Company decided it was far more efficient and effective to activate Mr Lee’s guarantee for immediate full payment at zero cost and entered into the transfer arrangement agreement with Mr Lee.

**(c) What are the Company's considerations for entering into the financing arrangements which are not in the ordinary course of the Company's business?**

The Company's considerations for entering into the financing arrangements which are not in the ordinary course of the Company's business usually include, assessing the risks and rewards, recoverability and commercial opportunity. The Company undertakes measures such as conducting credit assessments, legal searches and where relevant, requests for the provision of security (such as corporate and personal guarantees) from the borrower. In this case, the Company secured a corporate guarantee from the Borrower's listed parent company Epicentre Holdings Limited ("Epicentre Holdings"), and the personal guarantees of both Mr Kenneth Lim ("Mr Lim"), the Executive Chairman and controlling shareholder of Epicentre Holdings, and Mr Lee.

**(d) Disclose whether there is any connection (including business dealings) between the Company's directors or controlling shareholders with Epicentre Pte Ltd, its directors or its shareholders.**

The Company is not aware of any connection (including business dealings) between the Company's directors or controlling shareholders with — Epicentre Pte Ltd, its directors or its shareholders, save that Mr Lee knows Mr Lim, the Executive Chairman and controlling shareholder of Epicentre Holdings.

**(e) Please confirm whether the Company has to-date received the full amount of the principal amount and interest income arising from the 2 financing arrangements.**

The Company confirms that it has received the full amount of the principal amount and the interest income due to the Company arising from the two financing agreements.

**BY ORDER OF THE BOARD**

**Madan Mohan**  
*Company Secretary*

1 June 2018