



MDR Limited

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

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## RESULTS OF 20<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON 30 APRIL 2021

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1. The Board of Directors (the “**Board**”) of mDR Limited (the “**Company**”) wishes to announce that, on a poll vote, all resolutions set out in the Notice of AGM dated 12 April 2021 were duly approved and passed by the Company’s shareholders at the annual general meeting (“**AGM**”) of the Company held on 30 April 2021.
2. The results of the poll and information required under Rule 704(16) of the Mainboard Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Mainboard Rules**”) are as follows:

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
<b>ORDINARY BUSINESS</b>					
<b>Resolution 1</b> Directors' Statement and audited Financial Statements for the year ended 31 December 2020	613,967,897	613,917,897	99.99	50,000	0.01
<b>Resolution 2</b> Re-election of Ms Ong Siow Fong as a Director	613,967,897	613,917,897	99.99	50,000	0.01
<b>Resolution 3</b> Re-election of Ms Liu Yao as a Director	613,967,897	613,917,897	99.99	50,000	0.01
<b>Resolution 4</b> Re-election of Mr Mark Leong Kei Wei as a Director	613,967,897	613,917,897	99.99	50,000	0.01

<b>Resolution 5</b> Re-election of Ms Zhang Yanmin as a Director	613,967,897	613,917,897	99.99	50,000	0.01
<b>Resolution 6</b> Approval of Directors' fees of up to S\$300,000 for the year ending 31 December 2021	611,242,055	611,192,055	99.99	50,000	0.01
<b>SPECIAL BUSINESS</b>					
<b>Resolution 7</b> General authority to allot and issue shares	613,967,897	613,917,897	99.99	50,000	0.01
<b>Resolution 8</b> Authority to allot and issue Shares under the mDR Share Plan 2018	151,930,812	151,866,562	99.96	64,250	0.04
<b>Resolution 9</b> Proposed renewal of the Share Buy-back Mandate	216,093,754	216,043,754	99.98	50,000	0.02

3. Ms Ong Siow Fong, who was re-elected as a Director of the Company at the AGM, will remain as a member of the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”), and is considered independent.
4. Ms Liu Yao, who was re-elected as a Director of the Company at the AGM, will remain as a member of the Audit and Risk Committee (“**ARC**”), and is considered independent for the purposes of Rule 704(8) of the Mainboard Rules.
5. Mr Mark Leong Kei Wei, who was re-elected as a Director of the Company at the AGM, will remain as Chairman of the ARC, and a member of the NC and the RC, and is considered independent for the purposes of Rule 704(8) of the Mainboard Rules.
6. Ms Zhang Yanmin, who was re-elected as a Director of the Company at the AGM, will remain as Executive Director of the Company, and is considered non-independent.
7. Non-Executive Directors, Mr Mark Leong Kei Wei and Mr Oei Su Chi, Ian, who are also shareholders of the Company, voluntarily abstained from voting on 2,725,842 shares in aggregate, on Resolution 6 in respect of the Directors' fees for the year ending 31 December 2021.
8. Group Employees (including Group Executive Directors) and Group Non-Executive Directors, the Controlling Shareholders and their Associates, who are also Shareholders and eligible to participate in the mDR Share Plan 2018 abstained from voting on 462,037,085 shares in aggregate, on Resolution 8 in respect of the authorisation for Directors to allot and issue shares under the mDR Share Plan 2018.

9. Mr Edward Lee Ewe Ming and Ms Zhang Yanmin, who hold 398,374,144 shares in the Company, abstained from voting on Resolution 9 in respect of the proposed renewal of the Share Buy-back Mandate.
10. Samas Management Consultants Pte Ltd was appointed as scrutineer for the AGM.

**BY ORDER OF THE BOARD**

**Madan Mohan**  
*Company Secretary*

30 April 2021



MDR Limited

mDR Limited

# Annual General Meeting

30 April 2021





MDR Limited

# Annual General Meeting

30 April 2021



# Financial Results: YoY Financial Performance



(\$'000)	FY 2020	FY 2019
<b><u>Continuing Operations</u></b>		
Revenue	192,797	285,691
Gross Profit	24,304	32,555
(Loss) Profit before income tax	(14,525)	1,038
<b>(Loss) Profit for the year from continuing operations</b>	<b>(14,380)</b>	<b>1,041</b>
Profit (Loss) for the year from discontinued operations	116	(5)
<b>(Loss) Profit for the year</b>	<b>(14,264)</b>	<b>1,036</b>
<b>Profit for the year (excluding impairments)</b>	<b>3,686</b>	<b>6,261</b>

## Financial Results: YoY Segmental Breakdown of Revenue (Continuing Operations)



(\$'000)	FY 2020	FY 2019
DMS	164,252	253,048
AMS	17,333	19,864
DPAS	3,297	5,793
INVESTMENT	7,915	6,986
Total	192,797	285,691

## Financial Results: YoY Segmental Breakdown of Gross Profits (Continuing Operations)



(\$'000)	FY 2020	FY 2019
DMS	11,053	18,619
AMS	4,690	5,266
DPAS	646	1,684
INVESTMENT	7,915	6,986
Total	24,304	32,555



## Financial Results: Exceptional impairments

(\$'000)	FY 2020	FY 2019
<b><u>Continuing Operations</u></b>		
<b>(Loss) Profit for the year</b>	<b>(14,380)</b>	<b>1,041</b>
<b><u>Exceptional impairment impact:</u></b>		
Impairment of right-of-use assets and PPE	364	571
Impairment of investment in debt securities	17,166	1,851
Loss allowance for trade receivables (in relation to debt securities)	536	-
Impairment of goodwill	-	2,798
Total impairments	18,066	5,220
<b>Profit for the year (excluding exceptional impairments)</b>	<b>3,686</b>	<b>6,261</b>

## Investments: Performance Overview

(\$'000)	FY 2018	FY 2019	FY 2020
<b>Investment performance</b> (inclusive of dividends from equity investment and accrued interest income from bond investment)	(2,705)	3,664	(2,706)

(\$'000)	1H-2020	2H-2020	Total
<b>Investment performance</b> (inclusive of dividends from equity investment and accrued interest income from bond investment)	(23,187)	20,481	(2,706)

## Investments: Performance Overview (cont'd)

(\$'000)	1H-2020	2H-2020	Total
<b>Equity Investment</b>			
Addition	16,367	3,267	19,634
Disposal	(5,709)	(7,281)	(12,990)

(\$'000)	1H-2020	2H-2020	Total
<b>Bond investment</b>			
Addition	-	6,674	6,674
Disposal	(12,505)	(3,047)	(15,552)
Redemption	(12,150)	-	(12,150)

# Investments in Equity Securities

As at 31 December 2020, the Group invested in investment securities of companies which are broadly categorised within the following business sectors:

Business Sectors	%
Infrastructure	36.6%
Real estate	32.0%
Agriculture	13.1%
Transportation	8.7%
Leisure and hospitality	5.5%
Commodities	4.1%
<b>TOTAL</b>	<b>100.0%</b>

Below is the key information of the investment securities as at 31 December 2020 :

By Market Capitalization	%
\$1 billion and above	95.5%
\$500 million to \$1 billion	0.8%
\$200 million to \$500 million	3.7%
\$200 million and below	0.0%
<b>TOTAL</b>	<b>100.0%</b>

Weighted portfolio Information (based on simple weighted average calculation)	
Market Capitalisation	\$3.40 billion
Dividend Yield	3.84%
5-year Beta	1.088
P/B	0.51x
EV/EBITDA	13.15x
Debt/EBITDA	7.82x

By Exchange (based on market value)	%
SGX	96.7%
HKEX	3.3%
<b>TOTAL</b>	<b>100.0%</b>

By Currencies (based on market value)	%
SGD	63.5%
USD	33.2%
HKD	3.3%
<b>TOTAL</b>	<b>100.0%</b>

(Data derived from SGX "Stock Screener" or Yahoo Finance as at 31 December 2020)

# Investments in Debt Securities



As at 31 December 2020, the Group invested in bonds and the issuers of the debt securities are of companies broadly categorised within the following business sectors (excluding Tsinghua bond):

Business Sectors (based on purchase consideration)	%
Real estate	63.6%
Agriculture	36.4%
<b>TOTAL</b>	<b>100.0%</b>

Below is the key information of the bonds as at 31 December 2020:

By Exchange (based on purchase consideration)	%
SGX	66.4%
HKEX	33.6%
<b>TOTAL</b>	<b>100.0%</b>

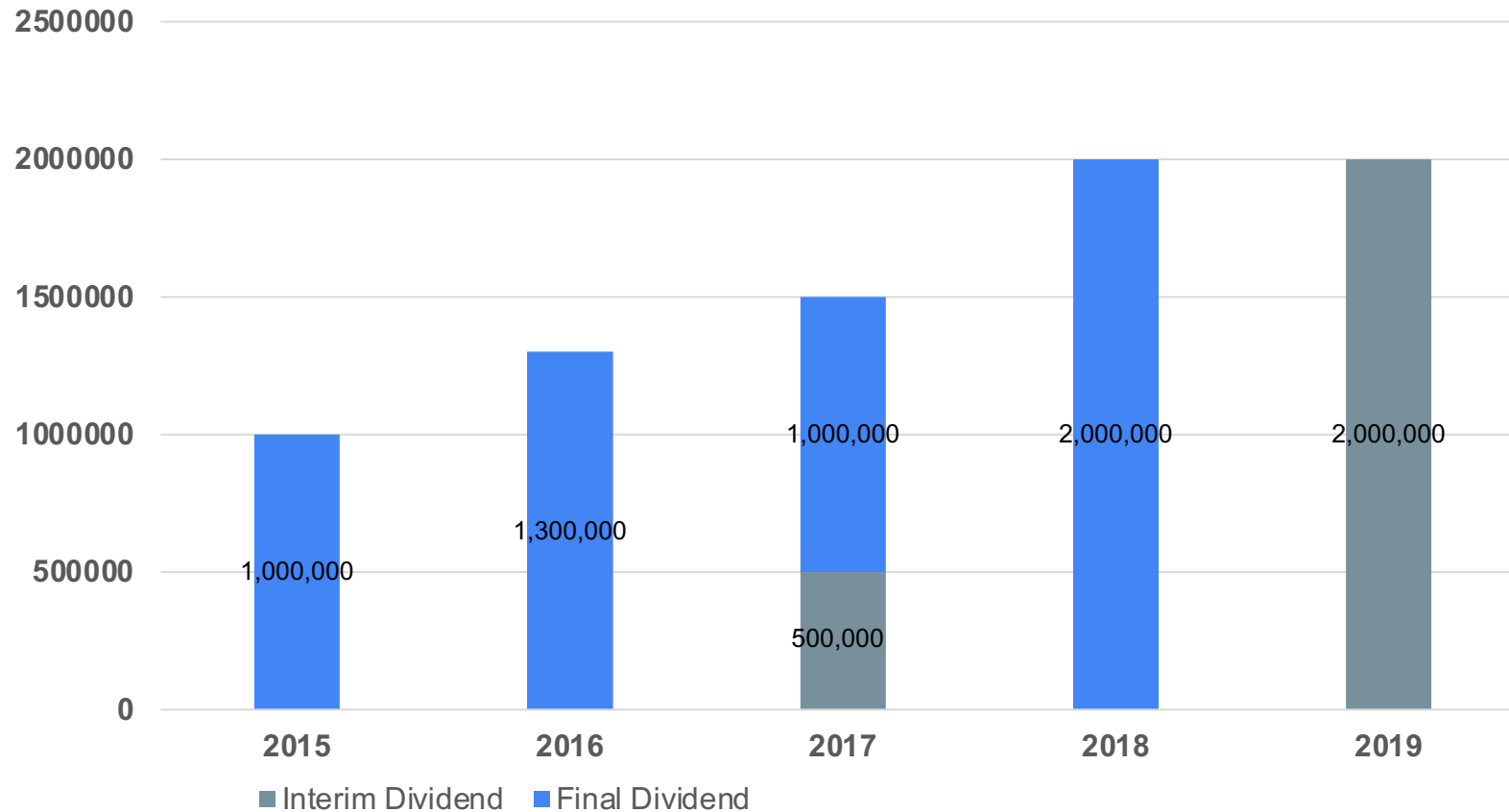
By Currencies (based on purchase consideration)	%
USD	33.6%
SGD	66.4%
<b>TOTAL</b>	<b>100.0%</b>

By Credit Rating (based on purchase consideration)	%
BBB	33.6%
BB	29.9%
BB-	36.5%
<b>TOTAL</b>	<b>100.0%</b>

Weighted portfolio Information (based on simple weighted average calculation)	
Yield to Maturity	5.9%
Duration	0.39 years

*(Data extracted from S&P Global Ratings, where applicable)*

# Dividend



- **Dividend Policy:** At least 50% of profits
- **FY2020:** No dividend could be declared for FY2020 mainly due to the allowance for impairment made in 2H-FY2020 that resulted in losses incurred for the financial period

# 2021 Outlook

- Barring any unforeseen events, the Group is committed to achieving better performance in FY2021
- With the uncertainties in the global economy because of the COVID-19 pandemic, the Group's business may remain challenging in FY2021
- The Group remains cautious in its business outlook with an expectation of a gradual recovery



# Substantial and relevant questions



## **1. Why is there such a big increase in Directors' fees from S\$174,000 to S\$300,000, especially when the Company is in loss in FY2020?**

There is no increase in the proposed amount for Directors' fees. S\$174,000 was the actual amount of Directors' fees paid to the Directors in FY2020, out of the maximum approved Directors' fees up to S\$300,000. The proposed Directors' fees for FY2021, again of up to S\$300,000, have remained unchanged and are the same as what was approved in the several preceding financial years. This is despite the expansion of the size of the Board from 6 Directors (comprising 3 Independent Directors) to currently 7 Directors (comprising 4 Independent Directors since September 2020), which is to comply with the requirement under the Code of Corporate Governance 2018 for a majority of the board of directors of a listed company to comprise of independent directors where the Chairman is not independent. Kindly note that, in fact the Company's Independent Directors (other than those appointed in September 2020) have also taken an approximately 25% cut in Directors' fees since October 2020 in view of the impact of COVID-19.



# Substantial and relevant questions

**2. In November 2020, Tsinghua Unigroup defaulted on 1.3 billion yuan (US\$199 million) onshore bond and was downgraded from AA to BBB by China Chengxin Credit Rating Group. Why did the management still hold on to the 2021 Debt Security instead of cutting loss immediately? Please give an update on the 2021 Debt Security.**

The debt security which was due for maturity on 31 January 2021 (“**2021 Debt Security**”) was issued by Tsinghua Unic Limited (“**Issuer**”) and unconditionally and irrevocably guaranteed by Tsinghua Unigroup Co., Ltd. (“**Tsinghua Unigroup**”). Tsinghua Unigroup is majority (51%) owned by Tsinghua Holdings (a wholly-owned subsidiary of Tsinghua University). Tsinghua Unigroup’s rating was initially downgraded to AA from AAA, followed by AA to BBB in November 2020 by China Chengxin International Credit Rating Co. Capital market pricing is usually considered efficient and the price of the 2021 Debt Security had already adjusted with the ratings downgrade, so Management had to decide if the price decline was fair at the material time. The Company decided to continue to hold the 2021 Debt Security as Management’s general expectation was that the default on an “offshore” bond by a well-established state-linked tech conglomerate such as Tsinghua was unlikely.

Risk in debt instruments is a factor of financial stability and duration. In November 2020, given that the Issuer was still rated investment grade (with BBB rating) and the bond maturity was only 2 months away, Management was still reasonably confident of a successful redemption, especially given the emphasis on the strategic and national importance of technology, outlined in October 2020 for the CCP's 14<sup>th</sup> Five-Year Plan. In addition, the trade war with the US and sanctions on certain Chinese companies had made it more imperative for China to be technologically self-reliant. To also give context on investment grade bond rating, please note that some BBB rated bond issuers include BP, Citigroup, FedEx, HP, Morgan Stanley and Prudential. The investment team had also consulted with a third party financial advisor and their credit analysts and received similar level of confidence in the Issuer.

The Company has been engaging with the Issuer of the 2021 Debt Security. We understand that the Issuer is looking into various ways to solve their current liquidity issue.

# Substantial and relevant questions



**3. The Company has not performed well in its investments. What is the Board doing about this? In the event of non-performance, would the Board consider, either changing the investment manager or to liquidate all investments and return the proceeds to shareholders?**

As mentioned in the Chairman's Statement in Annual Report 2020, while Management is dissatisfied by FY2020's performance, we remain committed to achieve better performance and dividend payment in the future. The net loss of the Group in FY2020 was primarily due to the impairment of financial assets and loss allowance for trade receivables in relation to the coupon payment of Tsinghua's 2021 Debt Security, which was unexpected in view of Tsinghua group's credit rating, Tsinghua being a state-linked tech conglomerate, and the strategic nature of Tsinghua's chip business, especially when the semi-conductor industry was one of the best-performing and growth industry across sectors and regions in 2020.

The Board reviews Group's investments' performance, investment strategy and execution periodically. The Group's equity portfolio outperformed the STI in 2020. Share buy-backs by the Company have also been, *inter alia*, progressively improving the return on equity, thereby increasing shareholder value. Currently, the Board does not have any plans of liquidating investments and/or returning proceeds to shareholders. Management is focused more on the long-term return and is therefore not disconcerted by short-term market volatility. Given that the core members of the investment team together hold approximately 51.84% of Company's shareholdings and there is a clear alignment of interest, Management is optimistically confident of the long-term performance of the Group's investments. Management will continue to work towards its efforts to accelerate growth, achieve better results and create value for all shareholders.

# Substantial and relevant questions



## 4. What strategic plans and goals does the Board have for the Company for the next 3 and 5 years?

The Group has continued with its evolutionary and strategic transformative plans and goals, since obtaining shareholders' approval in April 2018 for the diversification of its businesses to include the Investment Business and Property Business.

The Investment division is expected to be a key driver of profits and cashflow for the Group. Dividend income from invested marketable securities will continue to be the main source of revenue for the division. The Group is yet to venture into the Property Business, due to a lack of attractive real estate assets at our preferred valuation. Management expects to add real estate assets in the future when prices and valuations are attractive.

While there are disruptive headwinds and changing consumer patterns in terms of online sales, the Group believes that the distribution and physical retail channels remain relevant in the Singapore market based on consumers' preferences for flagship phones. DMS restructured its business operations in the 4<sup>th</sup> quarter of 2020 with the cessation of M1's distribution business and will continue to exercise financial prudence through a tight rein on costs. The division will continue with its strategy to operate retail stores at locations which are strategic and profitable. DMS will continue to capitalise on its business relationship with its various business partners and principals to grow the business. With the Group's experience in the telecommunications sector and long established relationship with business partners and principals, on the whole Management is optimistic about the future outlook of the DMS business.

We are confident of the Group's potential in terms of value creation and benefits for its shareholders and various stakeholders. Overall, we are cautiously optimistic of the Group to grow stronger with a scaled-up balance sheet and diversified businesses in the next 3 to 5 years.

## 5. What is the dividend policy of the Company?

The Company has a dividend policy of declaring at least 50% of its full-year profits as dividend.

# THANK YOU



MDR Limited

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For more information, please visit [www.m-dr.com](http://www.m-dr.com)

# Disclaimer



This presentation should be read in conjunction with the FY2020 audited Financial Statements of MDR Ltd (“MDR”, and together with its subsidiaries, the “Group”).

The past performance of MDR is not necessarily indicative of its future performance.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, cost of capital and capital availability, competition from other companies, changes in operating expenses, and geopolitical factors.

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**MDR** Limited

Annual General Meeting  
30 April 2021

