



MDR Limited

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

CESSATION OF MYANMAR BUSINESSES

1. INTRODUCTION

The Board of Directors of mDR Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has decided to exit from Myanmar (the “**Cessation**”).

2. REASONS FOR CESSATION OF MYANMAR BUSINESSES

Ooredoo business

- 2.1 The Distribution Agreement of MDR Golden Myanmar Sea Company Limited (“**MDR Golden**”), the business partner of the Company’s subsidiary MDR Myanmar Company Limited, with Ooredoo Myanmar Limited (“**Ooredoo**”) is set to expire in April 2017. In view of Ooredoo’s change in its business model in March 2017 — the appointment of many small distributors compared to several large distributors in the past to sell its prepaid cards — the management of MDR Golden is of the view that it is no longer feasible for the company to continue with Ooredoo distribution business.
- 2.2 Consequent to the above development, the Group has also considered the performance to date of the Ooredoo business. After considering the additional investments to be made, changes in the competitive telecom landscape in Myanmar, challenging political and operating environment, weak Myanmar Kyat and MDR Golden’s decision not to extend/renew the aforesaid Distribution Agreement, the Group decided to exit from the Ooredoo distribution business in Myanmar.

Pixio Myanmar

- 2.3 The Company’s subsidiary, Pixio Myanmar Co., Ltd. (“**Pixio Myanmar**”) entered into a two-year lease in Yangon for its office premises. The aforesaid lease is set to expire in end of April 2017.
- 2.4 The Group has also assessed and considered Pixio Myanmar’s continued presence in Myanmar. Pixio Myanmar’s business is still in its infancy stage, and substantial additional investments will be required for the business to achieve an economy of scale in business volume. In view of the above, the Group decided that it would not be prudent for Pixio Myanmar to commit to further costs of extending its lease and maintaining a printing operation in Myanmar. Pixio plans to continue to serve its customers in Myanmar from its facilities under Pixio Malaysia.

3. APPLICATION OF RULE 1006 OF THE LISTING MANUAL

As the relative figures computed on the bases set out in Rule 1006 of the Listing Manual, based on the Group's unaudited financial statements for the financial year ended 31 December 2016 ("FY 2016"), being the most recently concluded financial year, is less than 5%, the Cessation constitutes a "Non-Discloseable Transaction" as defined under Chapter 10 of the Mainboard Rules of the SGX-ST Listing Manual.

4. FINANCIAL EFFECTS

Effect on NTA and EPS

- 4.1 There is no change to Profit and Loss for FY 2016 at the Group level consequent to the Cessation.
- 4.2 Based on the latest unaudited financial statements of the Group for FY 2016 and assuming the Cessation had been completed at 31 December 2016, the NTA per share as at 31 December 2016 would remain unchanged at \$0.0049.
- 4.3 Based on the latest unaudited financial statements of the Group for FY 2016 and assuming the Cessation had been completed on 1 January 2016, the earnings per share as at 31 December 2016 would remained unchanged at \$0.00023.

5. AMENDMENTS TO UNAUDITED RESULTS DATED 23 FEBRUARY 2017 FOLLOWING THE CESSATION

- 5.1 The Board refers to the announcement on financial results for full year and Fourth Quarter of FY 2016 broadcast on SGXNET on 23 February 2017 (**Unaudited FY 2016 Results**). In view of the Cessation, the following amendments will be made to the Unaudited FY 2016 Results:

	<u>Figures as per Unaudited FY 2016 Results</u>	<u>Amended Figures</u>
<u>MDR's Company Level Balance Sheet</u>		
Current assets		
Other receivables and prepayments	\$14,401,000	\$14,119,000
Total current assets	\$42,137,000	\$41,855,000
Non-current assets		
Investment in subsidiaries	\$20,895,000	\$20,835,000
Total non-current assets	\$21,286,000	\$21,226,000
Total assets	\$63,423,000	\$63,081,000
Capital, reserves and non-controlling interests		
Accumulated losses	(\$94,530,000)	(\$94,872,000)
Equity attributable to owners of the Company	\$59,455,000	\$59,113,000

Total liabilities and equity	\$63,423,000	\$63,081,000
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MDR's Company Level
Statement of Changes in Equity

Accumulated losses		
Balance as at 30 September 2016	(\$96,567,000)	(\$96,567,000)
Profit for the period, representing total Comprehensive income for the period	\$2,037,000	\$1,695,000
Balance as at 31 December 2016	(\$94,530,000)	(\$94,872,000)

Arising from the Cessation, investment in subsidiaries and other receivables and prepayments have been written down to their recoverable values.

- 5.2 The external auditors of the Company are expected to complete the audit for the Company and the Group for FY 2016 by end March 2017. The audited financial statements of the Company for FY 2016 together with the Annual Report 2016 is expected to be despatched to the shareholders sometime in April 2017 prior to the upcoming annual general meeting.

6. DIRECTORS' OR CONTROLLING SHAREHOLDERS' INTEREST

None of the Directors (other than in his capacity as a Director or shareholder of the Company) or controlling shareholders of the Company (other than through their respective shareholdings in the Company) has any interest, direct or indirect in the Cessation.

7. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. The Company will keep shareholders updated on material developments on the Cessation as and when appropriate. In the meantime, shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Madan Mohan
Company Secretary

20 March 2017