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

MINUTES OF 21st ANNUAL GENERAL MEETING OF mDR LIMITED (THE "COMPANY" AND TOGETHER WITH ITS SUBSIDIARIES THE "GROUP") HELD BY WAY OF ELECTRONIC MEANS ON WEDNESDAY, 27 JULY 2022 AT 1:00 P.M.

PRESENT

Board of Directors

In Attendance	:	Mr Edward Lee Ewe Ming Mr Ong Ghim Choon (*CEO* / "*Mr Ong*") Ms Connie Zhang (*Executive Director / "Ms Zhang")* Mr Oei Su Chi, Ian (*Independent Director*)
Via live webcast	:	Mr Mark Leong Kei Wei (*Lead Independent Director*) Ms Ong Siow Fong (*Independent Director*) Ms Liu Yao (*Independent Director*)
Shareholders who attended via live webcast or audio conference	:	As set out in the attendance records maintained by the Company
Company Secretary (In Attendance)	:	Mr Madan Mohan
BY INVITATION *(Attended via live webcast)*	:	Ms Yip Li San (*Group CFO*) Mr Boon Heng Ng (*Ernst & Young LLP*)

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1. INTRODUCTION AND QUORUM

1.1 The meeting was chaired by Mr Edward Lee Ewe Ming ("**Chairman**"). Chairman welcomed shareholders to the 21st annual general meeting ("**AGM**" or "**Meeting**"). As a quorum in accordance with the Constitution of the Company was present, Chairman declared the AGM open at 1:00 pm. On behalf of the Company, Chairman expressed regret that due to the COVID-19 situation in Singapore, shareholders are unable to attend the AGM in person. He then introduced the fellow Board members who had joined the AGM, either via webcast or in person.

2. NOTICE OF MEETING

2.1 The Notice convening the AGM ("**AGM Notice**") circulated to shareholders was taken as read.

2.2 Chairman informed shareholders that all resolutions to be tabled at the AGM have been voted upon by way of poll. He had been appointed as proxy by the shareholders to vote on their behalf in accordance with their specific instructions in the Proxy Forms. All resolutions for the AGM are therefore deemed proposed and seconded. The resolutions for the AGM have been duly voted by the shareholders through the submission of Proxy Forms. This is in accordance with the COVID-19 (Temporary Measures) Act 2020 and the related Order on the alternative arrangements for general meetings. Samas Management Consultants Pte Ltd, the scrutineers for the Meeting, has independently verified the votes based on the Proxy Forms received 72 hours before the AGM, and the Company will announce the poll results after introducing the resolutions.

3. CORPORATE PRESENTATION, QUESTIONS & ANSWERS

3.1 Chairman informed the Meeting that the Company had invited questions from shareholders prior to the AGM via online pre-registration website, post and email. He further informed the Meeting that the Company has published the responses to the questions received from shareholders, both on SGXNET and the Company's corporate website. He thanked the shareholders who had submitted the questions in advance of the Meeting and invited shareholders to go through these to understand Management's strategies and business plans. He informed the shareholders that if they have any other questions they can use the Q&A function of the "live" webcast to ask the questions.

3.2 Chairman made a presentation (annexed in **Appendix A**) on the FY2021 financial results and the business outlook for the Group in 2022. He also summarised the responses to the questions received by the Company before the AGM from shareholders and the Securities Investors Association (Singapore) (SIAS) which was published on SGXNET on 21 July 2022. Key points from Chairman's presentation are as follows:

(a) Group's performance has been relatively stable in terms of revenue and gross profits. Net profits have improved. The revenue and profit of the Group's four divisions, DMS, AMS, DPAS and Investment, had slight variations in 2021 across the different divisions, overall however these were relatively stable. There were some exceptional impairments made in 2020, relating to the impairment of about S$17m for Tsinghua bonds. The Company actively engaged with Tsinghua as part of the Ad Hoc Committee. The outcome has been good and the Company expects full recovery. Tsinghua has paid the 40% cash portion and the balance 60% retained debt portion is payable over 8 years with interest. We also made some impairments in 2021 on certain other debt securities. Chairman gave an overview of the Company's Investment portfolio's performance. He noted that Company's dividends have grown over the years. The proposed dividend for FY2021 is the highest ever in recent years at least since 2015. Company has a policy of paying at least 50% of profit in dividend. In terms of future outlook, apart from COVID-19, the challenges to global economy, and rising inflation, we are cautious of recovery and when it comes, we will ride along with the recovery.

(b) Company extended a loan to MKY Capital in 2021 with a mortgage based on first charge. Unfortunately, the loan had to run through the legal process. The outcome of the transaction was profitable. To optimise the outcome further, we are currently going through an appeal process.

(c) We are quite pleased with the performance of our MVNO business, ZYM Mobile. Given our experience in the Mobile business, we hit the ground running and have currently achieved a subscriber base of over 5,000 in a relatively short period. We hope to do even better in terms of subscribers growth in the future.

(d) With the comparable benchmarks and excluding the impairments, relatively we had a respectable performance for Group's investments in equities. For investments in debt securities, there was a negative return in 2021 because of our positioning in certain distressed debt securities. We are long term investors so we expect price volatility. There is some safety buffer based on valuation and there is also diversification in terms of holdings. If it does work out as per plan, that can help the Group to leapfrog to the next level.

(e) Key takeaway from Tsinghua investment despite a successful outcome is that we have increased diversification and capped the investment in any single issuer to 10% of the investment portfolio at the point of acquisition.

(f) There was misappropriation of Group's certain assets by two former staff. We engaged an independent third party firm to identify any possible weaknesses of the Group's internal controls in relation to the use of marketing incentive rebates. The review has been completed and the Group has implemented various measures to improve the internal controls.

(g) There is regular dialogue between the Executive Directors, Mr Ong, Ms Zhang and myself because we all lead the Group. Also in the investment process, no idea trumps all and mutual dialogue and discussion is vital. For the job scope of the Executive Directors, there is some overlapping of responsibilities to cater to emergencies or other contingencies, and also as part of succession planning. The Company is the key focus of the Executive Directors and none of the Executive Directors receive any salary or director's fee from their other principal commitments. All Executive Directors have also made substantial investments in the Company which is the greatest alignment of interest.

(h) Company engaged an external consultant in 2020 to assist the Remuneration Committee to formulate and benchmark the remuneration of the Executive Directors and to ensure alignment of compensation with the market. Based on the consultancy firm's executives pay database Executive Chairman's compensation will rank approximately in the mid-range of 60 percentile. Therefore Mr Ong's and Ms Zhang's compensation would rank lower between the 40%-50% percentile. During COVID-19, Executive Directors and senior staff took cut in salaries. The Executive Directors also voluntarily foregone their entire bonus for FY2019 and FY2020 and a part of their bonus for FY2021.

(i) Since the Group's transformation initiatives and management changes in 2017, some of the long term tangible results that the Group has achieved, are that the shareholders equity has substantially increased. Dividends have trended upwards from $1.3m in 2016 to currently $4m (cumulative dividends for the 5 year period from 2017 to 2021 was $9.5m, despite the impact of COVID-19 when the Company did not pay a dividend in 2020), as compared to $5.3m in the preceding 5 year period. Another way shareholders get returns is share buybacks. Since 2020, Company undertook share buybacks of $2.8m, which is NAV accretive.

3.3 After the presentation, Chairman invited questions from the shareholders. A summary of the questions asked by the shareholders in the Meeting and the answers given by the management is set out and annexed herein in **Appendix B**. Chairman thereafter proceeded for the resolutions tabled at the AGM.

ORDINARY BUSINESS

4. RESOLUTION 1: DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

4.2 The result of the poll on this motion was 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 2021	623,809,347	623,759,347	99.99	50,000	0.01

4.3 Chairman declared Resolution 1 carried.

4.4 **RESOLVED:**

That the Directors' Statement and the audited Financial Statements of the Company for the year ended 31 December 2021 together with the Auditors' Report thereon, be received and adopted.

5. RESOLUTION 2: DECLARATION OF FINAL TAX EXEMPT (ONE-TIER) DIVIDEND OF S$4 MILLION (APPROXIMATE) FOR THE YEAR ENDED 31 DECEMBER 2021

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

5.2 The result of the poll on this motion was as follows:

Ordinary Resolution	Total	For		Against	
		No. of Shares	%	No. of Shares	%
Declaration of final tax exempt (one-tier) dividend of S$4 million (approximate) for the year ended 31 December 2021	623,809,347	623,759,347	99.99	50,000	0.01

5.3 Chairman declared Resolution 2 carried.

5.4 **RESOLVED:**

That a final tax exempt (one-tier) dividend of S$4 Million (approximate) be declared in respect of the financial year ended 31 December 2021.

6. RESOLUTION 3: RE-ELECTION OF Mr EDWARD LEE EWE MING AS A DIRECTOR

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

6.2 The result of the poll on this motion was as follows:

Ordinary Resolution	Total	For		Against	
		No. of Shares	%	No. of Shares	%
Re-election of Mr Edward Lee Ewe Ming as a Director	623,809,347	623,759,347	99.99	50,000	0.01

6.3 Mr Ong declared Resolution 3 carried.

6.4 **RESOLVED:**

That Mr Edward Lee Ewe Ming be re-elected as a Director of the Company.

7. RESOLUTION 4: RE-ELECTION OF Mr ONG GHIM CHOON AS A DIRECTOR

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

7.2 The result of the poll on this motion was as follows:

Ordinary Resolution	Total	For		Against	
		No. of Shares	%	No. of Shares	%
Re-election of Mr Ong Ghim Choon as a Director	623,809,347	623,759,347	99.99	50,000	0.01

7.3 Chairman declared Resolution 4 carried.

7.4 **RESOLVED:**

That Mr Ong Ghim Choon be re-elected as a Director of the Company.

8. <u>RESOLUTION 5: RE-ELECTION OF Mr OEI SU CHI, IAN AS A DIRECTOR</u>

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

8.2 The result of the poll on this motion was as follows:

Ordinary Resolution	Total	For		Against	
		No. of Shares	%	No. of Shares	%
Re-election of Mr Oei Su Chi, Ian as a Director	623,809,347	623,759,347	99.99	50,000	0.01

8.3 Chairman declared Resolution 5 carried.

8.4 **RESOLVED:**

That Mr Oei Su Chi, Ian be re-elected as a Director of the Company.

9. <u>RESOLUTION 6: APPROVAL OF DIRECTORS' FEES OF UP TO S$300,000 FOR THE YEAR ENDING 31 DECEMBER 2022</u>

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

9.2 The result of the poll on this motion was 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 2022	621,083,505	621,033,505	99.99	50,000	0.01

9.3 Chairman declared Resolution 6 carried.

9.4 **RESOLVED:**

That payment of up to S$300,000 to be paid to all Directors (other than the Executive Directors) as Directors' fees for the financial year ending 31 December 2022 be approved.

10. RESOLUTION 7: TO RE-APPOINT ERNST & YOUNG LLP AS THE AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

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

10.2 The result of the poll on this motion was as follows:

Ordinary Resolution	Total	For		Against	
		No. of Shares	%	No. of Shares	%
To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration	623,809,347	623,759,347	99.99	50,000	0.01

10.3 Chairman declared Resolution 7 carried.

10.4 **RESOLVED:**

That Ernst & Young LLP be re-appointed as the Auditors of the Company and that the Directors be authorised to fix their remuneration.

11. ANY OTHER ORDINARY BUSINESS

11.1 As there were no notice of other ordinary business received by the Company, the meeting proceeded to the Special Business on the agenda**.**

SPECIAL BUSINESS

12. RESOLUTION 8: GENERAL AUTHORITY TO ALLOT AND ISSUE SHARES

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

12.2 The result of the poll on this motion was as follows:

Ordinary Resolution	Total	For		Against	
		No. of Shares	%	No. of Shares	%
General authority to allot and issue shares	623,809,347	623,759,347	99.99	50,000	0.01

12.3 Chairman declared Resolution 8 carried.

12.4 **RESOLVED:**

"That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(a) (i) issue ordinary shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, notwithstanding that the authority conferred by this Resolution may have ceased to be in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall be less than ten per cent (10%) of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation and adjustment as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares, excluding treasury shares and subsidiary holdings, at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the SGX-ST Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

In this Resolution 8, "subsidiary holdings" shall have the meaning ascribed to it in the SGX-ST Listing Manual.

13. RESOLUTION 9: AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE mDR SHARE PLAN 2018

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

13.2 The result of the poll on this motion was 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	162,752,262	162,702,262	99.97	50,000	0.03

13.3 Chairman declared Resolution 9 carried.

13.4 **RESOLVED:**

"That the Directors be and are hereby authorised to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of Awards under the mDR Share Plan 2018, provided that the aggregate number of Shares to be allotted and issued pursuant to the mDR Share Plan 2018 and any other share-based incentive schemes that may be implemented by the Company, shall not exceed 15% of the total issued and paid-up Shares (excluding treasury shares and subsidiary holdings) on the day preceding the date on which the Award shall be granted."

14. RESOLUTION 10: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

14.1 Mr Ong noted Resolution 10 as set out in the AGM Notice.

14.2 The result of the poll on this motion was as follows:

Ordinary Resolution	Total	For		Against	
		No. of Shares	%	No. of Shares	%
Proposed renewal of the Share Buy-back Mandate	225,935,204	225,885,204	99.98	50,000	0.02

14.3 Mr Ong declared Resolution 10 carried.

14.4 **RESOLVED:**

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore (the "**Companies Act**") and such other laws and regulations as may for the time being be applicable, the exercise by the directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire issued and paid-up ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:

(i) on-market purchases transacted through the trading system of the Singapore

Exchange Securities Trading Limited ("**SGX-ST**"), or as the case may be, any other securities exchange on which the Shares may for the time being be listed on ("**Market Purchase**"); and/or

(ii) off-market purchases otherwise than on a securities exchange, in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the SGX-ST Listing Manual ("**Off-Market Purchase**"),

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the SGX-ST Listing Manual, be and is hereby authorised and approved generally and unconditionally ("**Share Buy-back Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-back Mandate shall, at the discretion of the Directors, either be cancelled or held as treasury shares and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors to purchase Shares pursuant to the Share Buy-back Mandate may be exercised by the Directors any time and from time to time, on and from the date of the passing of this resolution, up to the earliest of:

(i) the date on which the next annual general meeting is held or is required by law to be held;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buy-back Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied by Shareholders in a general meeting;

(d) in this resolution:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the date of the Market Purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the Market Purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the Off-Market Purchase from the holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax, and other related expenses) to be paid for the Shares as determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares;

"**Prescribed Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

(e) the Directors and/or any of them be and are hereby authorised to do any and all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to the matters referred to in this resolution and the taking of any and all actions whatsoever, by any Director on behalf of the Company in connection with the proposed Share Buy-back Mandate prior to the date of the passing of this resolution be and are hereby approved, ratified and confirmed."

15. CLOSURE

15.1 There being no other business, Chairman declared the AGM closed at 1:46 pm. He thanked everyone for their attendance.

Approved by:

Mr Edward Lee
Chairman
mDR Limited

APPENDIX A

mDR Limited

Annual General Meeting

27 July 2022

MDR Limited

Annual General Meeting

27 July 2022

Financial Results: YoY Financial Performance

MDR Limited

($'000)	FY 2021	FY 2020 Restated
Revenue	189,281	193,598
Gross Profit	24,930	25,892
Profit/(Loss) before income tax	4,304	(13,198)
Profit/(Loss) for the year from continuing operations	**4,075**	**(13,195)**
Profit for the year from discontinued operations	52	116
Profit/(Loss) for the year	**4,127**	**(13,079)**
Profit for the year (excluding impairments)	**2,005**	**4,451**

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

MDR Limited

($'000)	FY 2021	FY 2020 Restated
DMS	160,899	165,053
AMS	16,951	17,333
DPAS	3,169	3,297
INVESTMENT	8,262	7,915
Total	189,281	193,598

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

MDR Limited

($'000)	FY 2021	FY 2020 Restated
DMS	11,473	12,641
AMS	4,356	4,690
DPAS	839	646
INVESTMENT	8,262	7,915
Total	24,930	25,892

Financial Results: Exceptional impairments

MDR Limited

($'000)	FY 2021	FY 2020 Restated
Profit/(Loss) for the year	**4,127**	**(13,079)**
Exceptional impairment impact:		
Impairment of right-of-use assets and PPE	232	364
(Reversal of)/Impairment of investment in debt securities	(1,420)	17,166
Fair value gain on equity security	(658)	-
Fair value gain on convertible loan	(510)	-
Fair value loss on derivative asset	234	-
Total impairments	(2,122)	17,530
Profit for the year (excluding exceptional impairments)	**2,005**	**4,451**

Investments: Performance Overview

MDR Limited

($'000)	FY 2019	FY 2020	FY 2021
Investment performance (inclusive of dividends from equity investment and accrued interest income from bond investment)	3,664	(2,706)	23,460

($'000)	1H-2021	2H-2021	Total
Investment performance (inclusive of dividends from equity investment and accrued interest income from bond investment)	20,366	3,094	23,460

Investments: Performance Overview (cont'd)

MDR Limited

($'000)	1H-2021	2H-2021	Total
Equity Investment			
Addition (Purchase cost)	11,530	6,998	18,528
Disposal (Net sales proceeds)	(19,494)	(31,768)	(51,262)

($'000)	1H-2021	2H-2021	Total
Bond investment			
Addition (Purchase cost)	-	26,739	26,739
Disposal (Net sales proceeds)	(1,275)	-	(1,275)
Redemption (Nominal amount)	(2,750)	(2,028)	(4,778)

Investments in Equity Securities

MDR Limited

As at 31 December 2021, the Group invested in investment securities of companies which are broadly categorised within the following business sectors:

Business Sectors	%
Real estate	55.6%
Agriculture	22.2%
Infrastructure	15.1%
Leisure and hospitality	6.4%
Education	0.3%
Diversified financials	0.2%
Offshore, Marine & Energy	0.2%
TOTAL	100.0%

Below is the key information of the investment securities as at 31 December 2021 :

By Market Capitalization	%
$1 billion and above	83.4%
$500 million to $1 billion	0.0%
$200 million to $500 million	16.4%
$200 million and below	0.2%
TOTAL	100.0%

By Exchange (based on market value)	%
SGX	97.0%
HKEX	2.7%
ASX	0.3%
TOTAL	100.0%

Weighted portfolio Information (based on simple weighted average calculation)	
Market Capitalisation	$2.33 billion
Dividend Yield	3.89%
5-year Beta	0.977
P/B	0.50x
EV/EBITDA	12.31x
Debt/EBITDA	6.81x

By Currencies (based on market value)	%
SGD	81.1%
USD	15.9%
HKD	2.7%
AUD	0.3%
TOTAL	100.0%

(Data derived from SGX "Stock Screener" or Yahoo Finance as at 31 December 2021)

Investments in Debt Securities

MDR Limited

As at 31 December 2021, 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	100.0%
TOTAL	100.0%

Below is the key information of the bonds as at 31 December 2021:

By Exchange (based on purchase consideration)	%
SGX	52.8%
HKEX	47.2%
TOTAL	100.0%

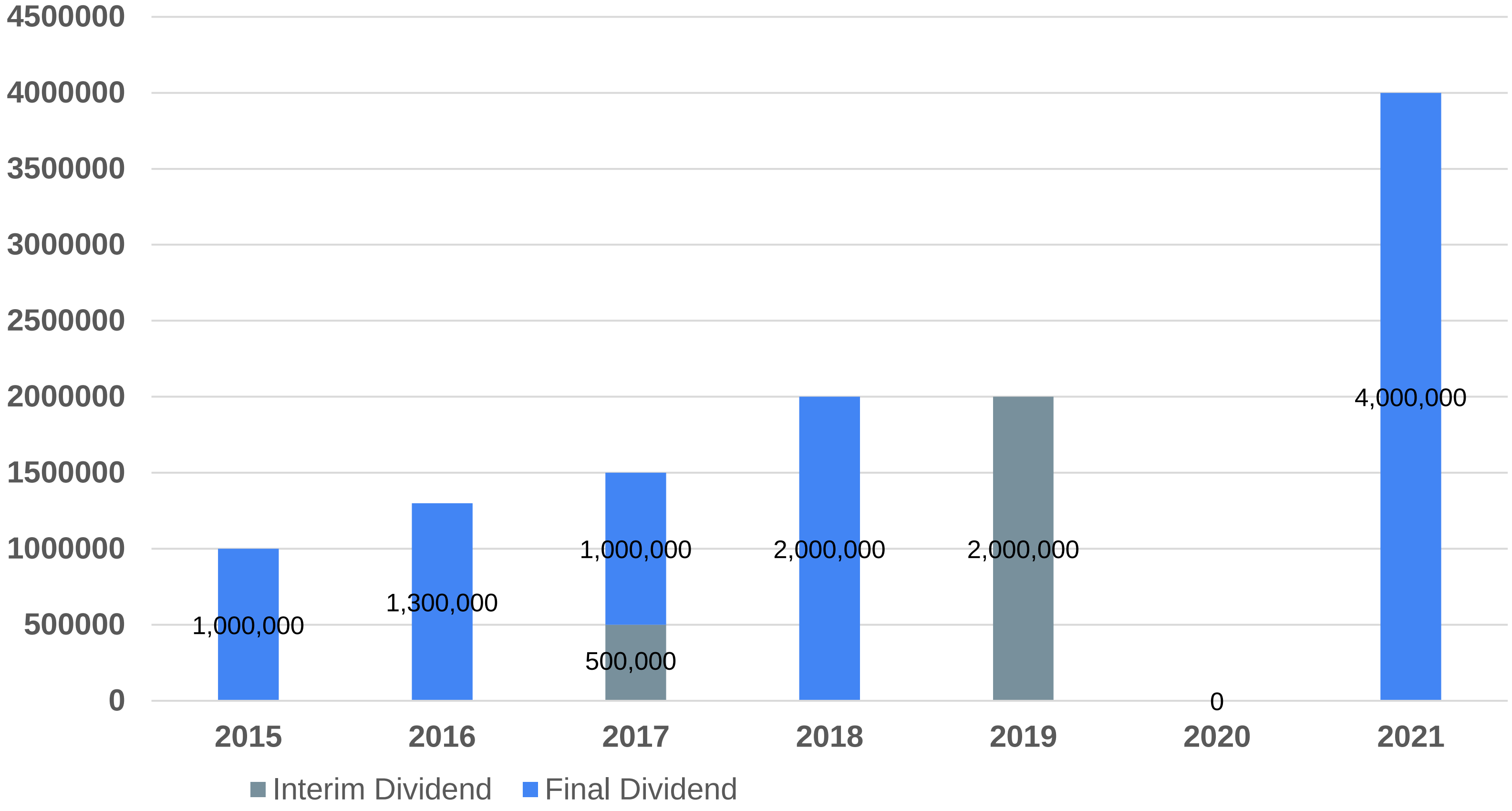
By Currencies (based on purchase consideration)	%
USD	100.0%
TOTAL	100.0%

By Credit Rating (based on purchase consideration)	%
B+	3.3%
B	6.3%
B-	3.9%
Non-rated	86.5%
TOTAL	100.0%

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

Weighted portfolio Information (based on simple weighted average calculation)	
Yield to Maturity	135.4%
Duration	0.62 years

Dividend



- **Dividend Policy:** At least 50% of profits

- **FY2021:**

Name of Dividend	Final
Dividend Type	Cash
Dividend per share	$0.004567 per share
Dividend Amount	$4.0 million (approximate)
Tax rate	Tax exempt (One-Tier tax)

2022 Outlook

- With the uncertainties in the global economy because of the COVID-19 pandemic, the Group's business may remain challenging in FY2022

- The Group remains cautious in its business outlook with an expectation of a gradual recovery

Substantial and relevant questions

MDR Limited

A. Questions from shareholders

1. Please provide an update on the investment in offshore debt security of Tsinghua Unigroup and also the loan to MKY Capital.

Company's Response:

mDR has taken an active role in negotiating with Tsinghua Unigroup to work out a fair and equitable solution for offshore bondholders. As a member of the Ad-Hoc Committee, the Company is restricted from sharing certain confidential information. It has been publicly announced that Tsinghua is undergoing a court approved restructuring. As per the approved restructuring plan, Tsinghua's 2021 debt security that the Company holds will be subject to the recovery option comprising payment of a 40% cash portion and a 60% retained debt portion for a period of 8 years, with an interest rate of 4.65% per annum. Based on the broker quoted price as at 30 June 2022, the 2021 bonds were trading at US$61.05. We understand that Tsinghua has paid the cash portion to Citicorp, the Trustee of the 2021 debt security. The Company is currently awaiting receipt of the payment from the Trustee. Subject to the successful completion of the Tsinghua restructuring with cash injection of RMB 60 billion from a consortium of investors led by Wise Road Capital and JAC Capital, the Company likely expects a full recovery and profits from its investment as the Tsinghua bonds were purchased at a discount to par.

MKY has redeemed the mortgage upon repayment of the loan and interest based on the redemption statement as at 31 March 2022 and the Company has discharged the joint and several Receivers of the mortgaged property with effect from 31 March 2022 (please refer to the Company's announcement dated 31 March 2022). Prior to the redemption of the loan by MKY, the Company had filed an appeal to the Appellate Division of the High Court of the Republic of Singapore against parts of the decision of the General Division of the High Court given on 24 February 2022 (please refer to the Company's announcement dated 23 March 2022). The appeal before the Appellate Division is currently pending.

Substantial and relevant questions

MDR Limited

B. Questions from SIAS

2. Would the board/management provide shareholders with better clarity on the following operational/strategic matters? Specifically:

(i) Distribution Management Solutions ("DMS"): Revenue contribution from DMS decreased by $4.15 million to $160.90 million (FY2020: $165.05 million). In the chairman's statement, the decrease was mainly attributed to lower sales volume (page 6). However, in Note 4 (page 84; Revenue and interest income), it can be seen that sale of goods actually increased from $127 million to $137 million while the incentive income decreased from $37.7 million to $23.9 million. **Can management elaborate further on the practice of incentive income in the distribution business? What were the number of units sold in FY2020 and FY2021?** In addition, the DMS segment has been loss-making in the past 3 years (FY2019, FY2020 and FY2021). **What are management's plans to turn around the DMS business? How dependent is the DMS business on the upgrade cycle/new model launches by the manufacturers?**

Company's Response:

Incentive income mainly comprises of activation income, phone subsidies provided by operators, support from principals for promotional activities, and rebates for stocks sold. The Group ceased its M1 distribution business in September 2020 which affected the sales activities (for retail operations). As a result, there was a reduction in sales transactions and this impacted the incentive income. However, overall YoY there was a 29% increase in number of units sold, which resulted in an increase in sale of goods in FY2021.

DMS division being in the Retail and Distribution business is dependent on the upgrade cycle/new model launches by the manufacturers, and the products and services of its principals for its businesses. The COVID-19 pandemic and the termination of M1 distribution business adversely affected the Group's DMS business. The DMS division has since restructured its business operations. DMS's competitive strengths are its island-wide retail and distribution network and relationships with its business partners and principals. DMS has capitalised on its retail network and ventured into the MVNO business under ZYM Mobile, *inter alia*, to diversify its revenue stream especially due to the loss of revenue stream arising from the M1 distribution business. The MVNO business enhances the value chain of DMS' offerings. Though DMS is dependent on the upgrade cycle/new model launches, it distributes and retails for most major brands in the market. DMS will continue with its plan to operate retail stores at locations which are strategic and profitable.

Substantial and relevant questions

MDR Limited

(ii) <u>Inventories:</u> The group's inventories have declined from $25.0 million as at 31 December 2020 to $13.9 million as at 31 December 2021. **Can management help shareholders better understand the reasons for the significant drop in inventories?**

<u>Company's Response:</u>

The drop in inventories is due to the discontinuation of the sell-in program offered by the operator since 4Q-21, and the reduction in prepaid cards inventory upon the implementation of e-wallet (online prepaid top-ups) since November 2020. As a result, the purchase of various denomination of pre-paid cards is not required.

(iii) ZYM Mobile: What is the total amount invested to launch and operate the mobile virtual network operator (MVNO)? What is ZYM's competitive advantage given that the mobile services space in Singapore is extremely competitive and crowded? Since the launch in September 2021, how many subscribers has ZYM signed up and what is the rate of growth of the subscriber base?

<u>Company's Response:</u>

The Group's initial capital expenditure invested/committed to launch the MVNO business is in the region of S$400,000. In addition, there is revenue sharing with the operator for the use of the network. The Group is piggybacking and capitalising on its existing business operations to launch and operate ZYM Mobile business. ZYM Mobile's competitive advantage is its retail presence/network spanning several outlets, cost-efficiency due to the utilisation of existing resources, and the ability to offer the full suite of services such as handsets/accessories to its customers. ZYM Mobile's subscriber growth (based on 6 months data) is at least 100% on a yearly basis. Currently, the subscriber base is greater than 5,000.

Substantial and relevant questions

MDR Limited

(iv) Equities: The group's investment portfolio in equities registered a total return of 34.46% in 2021 (page 6; chairman's statement). **What are the 3-year and 5-year returns of the equities portfolio?**

Company's Response:

The Group diversified into the Investment business upon shareholders' approval in the EGM held in April 2018. The total annual return of the equities portfolio (including dividend) on a comparative basis is set out below:

Year	Annual return (including dividends)	STI's total return (including dividends)	FTSE ST Catalist's total return (including dividends)
FY2021	34.46%	13.60%	-7.95%
FY2020	-6.92%	-8.00%	17.38%
FY2019	1.44%	9.40%	-9.67%
FY2018	-4.90%	-6.50%	-31.95%

Substantial and relevant questions

MDR Limited

(v) Debt securities: Similarly, what are the 3-year and 5-year returns of the debt securities portfolio?

<u>Company's Response:</u>

The Group invested in debt instruments from March 2019 onwards. The annual return of the debt securities portfolio (before impairment) is set out below:

FY2021:	-6.38%
FY2020:	9.33%
FY2019:	4.48%

(vi) Tsinghua Unic Limited debt security: The group had exposure of $25.9 million in Tsinghua bonds and impaired $19.0 million in FY2020. Following a restructuring by Tsinghua, the company recognised a reversal of loss allowance of $10.5 million in FY2021. **Can management provide shareholders an update on the current status of the issuer and the price of the bonds? Does management expect Tsinghua Unic Limited to be able to redeem the bond in the next 6-12 months? What is management's strategy to manage this potential risk of non-redemption?**

<u>Company's Response:</u>

Please refer to the response in Q1 above.

Substantial and relevant questions

MDR Limited

(vii) Investment framework: Has the board reviewed the group's investment and risk management frameworks following the default by Tsinghua Unic? For the purpose of risk management, has the board set a limit to the group's exposure to a single issuer or sector? Can management confirm that it has recognised another $9.126 million in allowance for its debt securities? If so, please state the bond(s) in question and the impairment amount(s). Is it timely for the board to carry out a review of the group's track record in debt securities?

Company's Response:

The Board has reviewed the Group's investment and risk management frameworks following the default by Tsinghua Unic. As a result of this review, the Group has capped the investment in any single issuer to 10% of the investment portfolio at the point of acquisition. The Board reviews the target portfolio size and limit of exposure from time to time. The Group made additional allowance of $9.126m on its debt securities for certain debt securities, however the Group had also recognised a positive net fair value change in equity and debt securities carried at fair value through other comprehensive income (OCI) of $27.715m; resulting in tangible positive performance that validates the Company's successful management of equity and debt securities from a total portfolio perspective. The Company has been providing updates on, *inter alia*, its investments (based on business sectors), the geographical distribution and market capitalisation (please see page 27-29 of the FY2021 results) in its half-yearly financial results announcements. As a result of the review following the default by Tsinghua, the debt portfolio currently is diversified across 15 issuers comprising 54 bonds. The equity portfolio is diversified across 33 companies. For confidential and competitive reasons, the Company does not disclose individual stock or bond names. The Board reviews the Group's investments in its Quarterly meetings.

Substantial and relevant questions

MDR Limited

3.
(i) What is the number of staff engaged by the group for its in-house internal audit function? Is the principal auditor mentioned above the only staff?

<u>Company's Response:</u>

The Group has 1 full time staff in its in-house internal audit function. The Company also engages external firms for internal audit projects to complement and enhance the internal audit function.

(ii) What was the scope of the internal audit in FY2021?

<u>Company's Response:</u>

The internal audit's audit plan and scope are defined and approved by the Board annually in the internal audit charter to conform with the IIA principles. The scope of the internal audit in FY2021 was:

(a) to review the effectiveness of the Group's material internal controls;
(b) to provide assurance that key business and operational risks are identified and managed;
(c) to determine that internal controls are in place and functioning as intended; and
(d) to evaluate whether the operations are conducted in an effective and efficient manner.

(iii) What were the key findings by the internal auditor?

<u>Company's Response:</u>

The internal auditor performed the work mainly based on the internal audit plan which was reviewed and approved by the Company's Audit and Risk Committee ("**ARC**"). The audited area/entity/business unit in FY2021 included Pixio, After Market Services, Investment, Cybersecurity, and review of remote working processes due to COVID-19. Any non-compliance or lapses in internal controls together with corrective measures recommended by the internal audit were reported to and reviewed by the ARC and the Board.

Substantial and relevant questions

MDR Limited

(iv) What is the level of oversight by the board on the DMS operations, including the group's internal controls (which covers the financial, operational, compliance and information technology aspects)?

<u>Company's Response:</u>

Management updates the Board in the quarterly meetings on the performance and business outlook of the DMS operations. The Board has adopted Limits of Authority which sets out threshold limits for matters that specifically require the Board's approval by all business units including DMS. The Board reviews the internal control and risk management systems of DMS operations periodically with the assistance of the internal audit function.

(v) What are the options available to the group to seek restitution from the two senior executives suspected of the misappropriation?

<u>Company's Response:</u>

Currently the investigations against the two former senior executives are ongoing. The Group is evaluating various options to seek restitution from the two former senior executives suspected of the misappropriation.

(vi) Can the board help shareholders better understand the improvements made to the group's internal controls since December 2021?

<u>Company's Response:</u>

The Group engaged an independent audit firm, Nexia TS Risk Advisory Pte. Ltd. ("**Nexia**") to identify any possible weaknesses of the Group's internal controls in relation to the use of marketing incentive rebates following the suspected misappropriation by two former senior executives. Nexia has completed its review and the Group has made improvements to the internal controls. Please refer to the Company's announcement dated 5 July 2022 for the improvements to the Group's internal controls.

Substantial and relevant questions

MDR Limited

4.

(i) Would the company help shareholders better understand the job scope and responsibilities of the executive directors, especially Ms Zhang Yanmin? Is there a significant overlap between the responsibilities of Ms Zhang Yanmin and the executive chairman?

<u>Company's Response:</u>

Mr Lee as the Executive Chairman is responsible for the overall strategy for the mDR Group and is the primary decision maker for the Investment division. Mr Ong as the Group CEO is responsible for the business and operations of the DMS and DPAS businesses. Ms Zhang as the Executive Director is responsible for collating research and providing updates on the investments. Since joining in 2018, Ms Zhang has provided over 2,000 filings as part of the team's active monitoring of investments. As the Investment division, being a core profit engine of the Group, requires both quantitative but more importantly qualitative interpretation of macroeconomic and microeconomic factors, there is regular dialogue between the Executive Chairman and Ms Zhang. For contingency and succession planning, in addition to her role in the Investment division, in FY2022 Ms Zhang has been appointed as Director of various subsidiaries under DMS and in Pixio United. All the Executive Directors are also responsible for business development strategies to enhance current businesses and providing new growth areas, sourcing investment opportunities, new streams of income, fund raising, and investor relations.

(ii) What are the key performance indicators used to assess the performance of the executive directors?

Please refer to the response in Q4 (iii) below.

Substantial and relevant questions

MDR Limited

(iii) In addition, given that all the three executive directors also have other principal commitments outside of the group (such as Managing Director of Edward Lee Apartment Private Ltd, Director of Pacific Organisation Pte Ltd and Advisor to Yann Investment Co., Ltd.), how much of the directors' time and attention are allocated to these other commitments?

<u>Company's Response:</u>

The Remuneration Committee assesses the performance of the Executive Directors, based on a holistic approach, comprising both financial and non-financial metrics that promote commitment, performance and loyalty to the Group. The Group's remuneration scheme takes into consideration, the individual's performance, the financial performance of the Group, the Company's growth in shareholders' equity and total assets, and industry and market practices. The Board is of the view that sufficient time and attention has been given by the Executive Directors to the affairs of the Company in the discharge of their duties.

Mr Lee does not receive any salary or director's fees from Edward Lee Apartments Private Ltd, which correlates to how much time and resources he allocates to this responsibility. Likewise, Ms Zhang also spends minimal time and resources outside of her mDR Group's duties, and also does not receive any salary or director's fees from Yann Investment Co., Ltd. Mr Ong also does not receive any salary or director's fees from Pacific Organisation and spends minimal time and resources outside of his mDR Group's duties.

For avoidance of any doubt as to whether the executive directors are committed to their duties at the Company or if their interests are aligned with the Company, it should be noted that all three executive directors have cumulatively invested over $70m in cash towards acquiring their interest in the Company, which currently is greater than the market capitalisation of the Company.

Substantial and relevant questions

MDR Limited

(iv) Can the remuneration committee (RC) help shareholders understand the reasons for the increase in the base salary of executive chairman in FY2019? How was the remuneration of the executive chairman determined?

Company's Response:

The Group diversified into the Investment business upon shareholders' approval in the EGM held in April 2018. Following the Rights cum Warrants issue, the Company's net assets grew from $65.6 million in 2017 to $152.3 million in 2019. The remuneration of the executive chairman was determined by the RC taking into account, the operations/set-up costs for the new business, the increased time and efforts of setting up the Investment business segment and driving the investment strategy, the efforts and the direct and indirect contributions of the Executive Directors in the Rights cum Warrants issue and the expanded roles and responsibilities to match the responsibilities of managing a bigger company. The net profits of the Group from continuing operations (excluding one-off adjustments) have also increased significantly (from $2.0 million average per year in 2012-2016 to $3.7 million average per year in 2017-2021) despite the devastating impact of COVID-19. The Company had also adopted cost cutting measures, with all Executive Directors, independent directors, and senior staff taking a pay/fee cut of 10%-25% during the COVID-19 period, even though the Company's profits from continuing operations (excluding one-time adjustments) remained resilient and robust during the period.

(v) What is the nature of such allowance and the basis for giving allowances to the executive directors?

Company's Response:

The allowance is for travel and phone expenses.

Substantial and relevant questions

MDR Limited

(vi) Did the RC benchmark the remuneration framework and remuneration practices to comparable companies? If so, how was the benchmarking carried out? Given that the annual remuneration of the executive directors is approximately 5% of the total market capitalisation of the company, is this in line with the market, especially after factoring in the financial performance/value creation of the group?

Company's Response:

In 2020, the Company commissioned a leading global human resources consultant ("**Consultancy Firm**") to:

(a) Review current remuneration formula and incentive (bonus) plan framework and funding
(b) Provide inputs on remuneration/bonus plans adopted by organisations with similar set-up
(c) Review and recommend remuneration/bonus plans
(d) Simulate the remuneration/bonus plans payout to ensure alignment of total compensation with market

According to the Consultancy Firm's universe of executives pay database, the Executive Chairman's compensation in the region of $1.2m will rank approximately in the mid-range of 60 percentile. Mr Ong and Ms Zhang's compensation in the region of $800k each would therefore rank lower, between the 40%-50% percentile. The RC adopted the Consultancy Firm's recommendation on remuneration plan, and even added a longer and more restrictive 10 year vesting period in the incentive plan, compared to the usual 3 year vesting period. It is also worth noting that the Executive Directors voluntarily foregone their entire bonus for FY2019 and FY2020, and a part of their bonus for FY2021, because of the various non-cash impairments (despite the significant positive net fair value increase), the misappropriation by two former staff, and the challenging and uncertain business environment. The Company's market capitalisation is a factor of market forces that is largely driven by investors sentiment and therefore outside the control of management.

Substantial and relevant questions

MDR Limited

(vii) In view of the cumulative losses in the past three years, can the executive directors help shareholders better understand if they have been effective at creating long term value for shareholders?

Company's Response:

While the Group has gone through various phases of challenges, it is on track in its transformation process. Management believes that the Group is adapting to the disruptive headwinds affecting its distribution and retail businesses and is geared towards a stronger, resilient and profitable company over the long term via its diversification and transformation initiatives. Management will continue to work towards its efforts to accelerate growth, achieve better results and value creation for shareholders. Since the Group's transformation initiatives and management changes in 2017, the long term tangible results are as follows:

(a) Shareholders' Equity has increased from $64.3 million in FY2016 to $159.4 million in FY2021.
(b) Dividends have been trending upwards from $1.3 million in 2016 to currently $4m (cumulative dividends for the 5 year period from 2017 to 2021 was $9.5 million, despite the impact of COVID-19 when the Company did not pay a dividend in 2020), as compared to $5.3 million in the preceding 5 year period.
(c) Share buybacks, which are NAV accretive, since February 2020 of $2.8 million.
(d) Cash return to shareholders, often defined as dividends paid and share buybacks, totaled $12.3m since management changes in 2017.
(e) Total profits from continuing operations (excluding one-time adjustments) from 2017- 2021 totaled S$18.6m as compared to S$10.2m in the preceding 5 years.

(viii) Can the RC help shareholders understand if the current remuneration framework results in remuneration practices that are aligned to shareholders' interests? Specifically, can the RC help shareholders understand if the level and structure of remuneration are appropriate and proportionate to the sustained performance and value creation to the group (Principle 7 of the Code of Corporate Governance 2018)?

Company's Response:

The RC decides on the remuneration packages with a view to attract, retain and motivate the executives to provide good stewardship of the Company and to successfully manage the Company for its long-term success. Size of the business and operations is strongly correlated to executive compensation. The level and structure of remuneration is linked to the growth of the Company and is proportionate to the long-term sustainability of the Group and value creation.

THANK YOU

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Investor Relations:
corporateaffairs@m-dr.com

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Disclaimer

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This presentation should be read in conjunction with the FY2021 audited Financial Statements of MDR Ltd ("MDR", and together with its subsidiaries, the "Group").

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MDR Limited

Annual General Meeting
27 July 2022

APPENDIX B

1. Shareholder Mr Ng Eng Hong ("Mr Ng") asked, is the Company embarking on higher risk investments?

Chairman noted that investment is a core pillar of our business. Whether we are embarking on a higher risk, the answer to that would be skewed towards how the markets are currently. When the market opportunities are present, the risk reward is generally in investors favour. Those that take more risks at that time would have a statistically higher chance of a gain. For instance, the Hong Kong index is currently down significantly. Because prices have already come down relative to the asset value and the dividend yield, it can be said that it's prudent to take risk as the margin of safety has increased. Risk can be evaluated from different perspectives, such as valuation and business type. Based on valuation, we are taking less risk because we are buying at a relatively cheaper price. In terms of the businesses we have invested, we are taking less risk because of the type of businesses (e.g. finance, insurance) we have invested in, some of which tend to be defensive in nature, as compared to assets like crypto or other investments.

2. Mr Ng commented that the share price of the Company has been in the downtrend and daily trading volumes of the shares have been small. He asked, should the Company take some actions to better promote the Company and stop further decline of the share price?

Chairman noted that there will always be a gravitation towards share price and fundamental value, in the same way as price is a consideration when the Company invests in other companies. We have done the groundwork in the past five years. Shareholders equity and dividends have improved. The Company will continue with share buybacks. The Group is growing and increasing dividends, but at some point a transformational shift is needed. If the Group's investments perform well, that can bring the Company to a whole new level.