



MDR Limited

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

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## PROPOSED SUBSCRIPTION OF SHARES IN THE CAPITAL OF USP GROUP LIMITED PURSUANT TO A SUBSCRIPTION AGREEMENT

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### 1. INTRODUCTION

- 1.1. The board of Directors (the “**Board**”) of mDR Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) wishes to announce that the Company has entered into a subscription agreement (the “**Subscription Agreement**”) with USP Group Limited (“**USP**”) today.
- 1.2. USP is a Singapore incorporated company listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).
- 1.3. The proposed subscription will be effected by way of a private placement to the Company pursuant to Section 272B of the Securities and Futures Act (Chapter 289, Singapore Statutes).

### 2. SALIENT TERMS OF THE PROPOSED SUBSCRIPTION

- 2.1 Pursuant to the Subscription Agreement, the Company will subscribe for an aggregate of 15,000,000 new ordinary shares (the “**Subscription Shares**”) at the issue price of S\$0.08 per share (“**Subscription Price**”) in the capital of USP (the “**Proposed Subscription**”). The Subscription Price represents a premium of approximately 14.29% to the volume weighted average price (“**VWAP**”) of S\$0.07 per share, based on trades done on the SGX-ST on 22 January 2019, being the last full market day on which the shares of USP were traded prior to the date on which the Subscription Agreement was entered into. The Subscription Price was agreed upon based on arm’s length negotiations between the Company and USP, taking into account, among others, the VWAP of USP’s shares quoted on the SGX-ST on 22 January 2019. Following the completion of the Proposed Subscription, the total number of issued ordinary shares of USP will increase from 90,287,403 (excluding treasury Shares) to 105,287,403 shares, and the Company will hold approximately 14.25% of the enlarged share capital of USP.
- 2.2 The total consideration payable by the Company for the Subscription Shares is S\$1.2 million.
- 2.3 The completion of the Proposed Subscription is conditional upon the following (“**Conditions**”):
  - (a) USP obtaining the approval-in-principle from the SGX-ST for the listing and quotation of the Subscription Shares on the Mainboard of the SGX-ST;

- (b) the Proposed Subscription not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to any party;
- (c) there being no breach of any representations and warranties by the Company, and undertakings required to be performed or caused to be performed by the Company under the Subscription Agreement;
- (d) the Company completing a due diligence exercise on the business of USP and its subsidiaries (“**USP Group**”), at the Company’s own cost and expense, and the results of such due diligence exercise being satisfactory to the Company, acting reasonably, including, without limitation, the Company being satisfied of USP Group’s business, financial condition and that all material approvals, consents, licences, permits, waivers and exemptions (including any governmental, regulatory and/or corporate approvals and consents) required for USP Group’s business, have been obtained, remain valid and will remain in full force and effect as at completion and not withdrawn or amended; and
- (e) all necessary approvals and consents as may be required from and registration with any third party, governmental or regulatory body or relevant competent authority having jurisdiction over the transactions contemplated by the Subscription Agreement or to the entry into and completion of the Subscription Agreement by the parties (including any approval by shareholders in general meeting, to the extent required whether by the SGX-ST or otherwise), being obtained and in full force and effect and not having been withdrawn, suspended, amended or revoked as at completion, and if such approvals, consents or registrations are granted or obtained subject to any conditions, such conditions being reasonably acceptable to USP and the Company.

### **3. RATIONALE FOR THE PROPOSED SUBSCRIPTION**

- 3.1 The Company proposes to invest in USP as a strategic investor as part of its investments into quoted securities. The net asset value (NAV) per ordinary share of USP Group as at 30 September 2018 based on its unaudited quarterly financial statement announcement for the period ended 30 September 2018 is 55.10 (SGD cents). Taking into consideration the NAV, the Company believes that the Subscription Price even though at a premium, is attractive — as it represents a discount of 85.5% to the NAV.

### **4. DIRECTORS OR CONTROLLING SHAREHOLDERS’ INTEREST**

- 4.1 None of the Directors or controlling shareholders of the Company have any direct or indirect interest in the Proposed Subscription, other than through their respective shareholdings in the Company.

### **5. DOCUMENTS FOR INSPECTION**

A copy of the Subscription Agreement is available for inspection during normal business hours at the Company’s registered office at 53 Ubi Crescent, Singapore 408594, for three months from the date of this announcement.

## **6. CAUTIONARY STATEMENT**

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company as the Proposed Subscription is subject to certain conditions. There is no certainty or assurance that the Proposed Subscription will be completed or that no changes will be made to the terms thereof. The Company will keep shareholders updated on material developments on the Proposed Subscription 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*

23 January 2019