



MDR Limited
(Company Registration No: 200009059G)

**UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS AND FULL YEAR ENDED
31 DECEMBER 2023**

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Group					
		6 months ended 31 December 2023	6 months ended 31 December 2022	Inc/(Dec)	12 months ended 31 December 2023	12 months ended 31 December 2022	Inc/(Dec)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations							
Revenue	6	122,282	92,856	32%	215,603	175,480	23%
Cost of sales	6	(104,509)	(78,828)	33%	(183,045)	(147,959)	24%
Gross profit	6	17,773	14,028	27%	32,558	27,521	18%
Other operating income	7	1,765	1,997	(12%)	4,483	3,567	26%
Administrative expenses		(9,033)	(9,874)	(9%)	(17,600)	(17,815)	(1%)
Other operating expenses	8	(3,596)	(2,919)	23%	(5,338)	(4,714)	13%
Finance costs	9	(1,574)	(936)	68%	(3,035)	(1,409)	115%
Total expenses		(14,203)	(13,729)	3%	(25,973)	(23,938)	9%
Operating profit before share of profit of associate and income tax		5,335	2,296	132%	11,068	7,150	55%
Allowance for impairment of plant and equipment	8	(58)	(16)	263%	(58)	(16)	263%
Allowance for impairment of right-of-use assets	8	(279)	(471)	(41%)	(279)	(471)	(41%)
Loss allowance/(Reversal of loss allowance) on investment in debt securities	8	(26,019)	10,721	N.M.	(47,571)	4,492	N.M.
Loss allowance for trade receivables	8	(5,816)	(949)	513%	(8,065)	(2,705)	198%
Loss allowance for non trade receivables	8	(232)	-	N.M.	(232)	-	N.M.
Fair value gain on unquoted equity investment	8	-	109	N.M.	-	109	N.M.
Fair value gain on convertible loan	8	-	881	N.M.	244	881	(72%)
Fair value loss on derivative asset	8	-	(180)	N.M.	(64)	(180)	(64%)
Fair value gain on quoted equity investment	8	1,825	-	N.M.	2,981	-	N.M.
Operating (loss)/profit before share of profit of associate and income tax		(25,244)	12,391	N.M.	(41,976)	9,260	N.M.
Share of (loss)/profit of associate		(1)	2	N.M.	(2)	4	N.M.
(Loss)/Profit before income tax		(25,245)	12,393	N.M.	(41,978)	9,264	N.M.
Income tax (expense)/credit	10	(376)	27	N.M.	(498)	(80)	523%
(Loss)/Profit for the period from continuing operations		(25,621)	12,420	N.M.	(42,476)	9,184	N.M.
Discontinued operations							
Loss for the period from discontinued operations	11	-	-	N.M.	-	(1,959)	N.M.
(Loss)/Profit for the period		(25,621)	12,420	N.M.	(42,476)	7,225	N.M.

N.M. : Not Meaningful

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

Notes	Group					
	6 months ended 31 December 2023	6 months ended 31 December 2022	Inc/(Dec) %	12 months ended 31 December 2023	12 months ended 31 December 2022	Inc/(Dec) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Other comprehensive (loss)/income						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Net fair value changes in equity and debt securities carried at fair value through other comprehensive income	(4,288)	600	N.M.	(7,237)	(11,036)	(34%)
<i>Items that may be reclassified subsequently to profit or loss</i>						
Currency translation differences arising from consolidation	(94)	(155)	(39%)	(404)	(357)	13%
Other comprehensive (loss)/income for the period, net of tax	<u>(4,382)</u>	<u>445</u>	N.M.	<u>(7,641)</u>	<u>(11,393)</u>	<u>(33%)</u>
Total comprehensive (loss)/income for the period	<u>(30,003)</u>	<u>12,865</u>	N.M.	<u>(50,117)</u>	<u>(4,168)</u>	<u>1102%</u>
(Loss)/Profit attributable to:						
Owners of the Company	(25,612)	12,446	N.M.	(42,466)	7,258	N.M.
Non-controlling interests	(9)	(26)	(65%)	(10)	(33)	(70%)
	<u>(25,621)</u>	<u>12,420</u>	N.M.	<u>(42,476)</u>	<u>7,225</u>	N.M.
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(29,994)	12,891	N.M.	(50,107)	(4,135)	1112%
Non-controlling interests	(9)	(26)	(65%)	(10)	(33)	(70%)
	<u>(30,003)</u>	<u>12,865</u>	N.M.	<u>(50,117)</u>	<u>(4,168)</u>	<u>1102%</u>
Earnings per share (cents):						
From continuing and discontinued operations:	12					
- Basic	(2.928)	1.421		(4.855)	0.829	
- Diluted	<u>(2.928)</u>	<u>1.421</u>		<u>(4.855)</u>	<u>0.829</u>	
From continuing operations:						
- Basic	(2.928)	1.421		(4.855)	1.052	
- Diluted	<u>(2.928)</u>	<u>1.421</u>		<u>(4.855)</u>	<u>1.052</u>	

N.M. : Not Meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		31-Dec-23 S\$'000	31-Dec-22 S\$'000	31-Dec-23 S\$'000	31-Dec-22 S\$'000
ASSETS					
Current assets					
Cash and bank balances		14,906	12,768	2,936	1,872
Trade receivables	16	11,783	16,023	2,039	5,315
Other receivables and prepayments	17	1,642	2,387	9,800	12,596
Inventories	18	25,892	18,142	971	748
Investment in debt securities	22	12,654	13,027	12,654	13,027
Income tax recoverable		110	236	-	-
Total current assets		<u>66,987</u>	<u>62,583</u>	<u>28,400</u>	<u>33,558</u>
Non-current assets					
Other receivables and prepayments	17	969	867	177	50
Investment in subsidiaries		-	-	3,328	3,328
Investment in an associate		29	32	-	-
Investment in equity securities	21	81,678	101,032	81,678	101,032
Investment in debt securities	22	11,669	52,669	11,669	52,669
Property, plant and equipment	19	1,515	1,751	527	731
Right-of-use assets	20	7,511	4,488	1,044	501
Investment property	23	7,321	7,763	-	-
Convertible loan	24	-	2,891	-	2,891
Derivative assets	21	-	64	-	64
Total non-current assets		<u>110,692</u>	<u>171,557</u>	<u>98,423</u>	<u>161,266</u>
Total assets		<u>177,679</u>	<u>234,140</u>	<u>126,823</u>	<u>194,824</u>
Current liabilities					
Bank overdrafts and loans	25	47,859	58,504	41,970	55,678
Trade payables		14,185	6,694	1,435	1,566
Other payables		8,541	8,667	5,123	4,288
Lease liabilities		3,621	3,565	684	510
Lease liabilities from financial institutions		18	81	18	76
Total current liabilities		<u>74,224</u>	<u>77,511</u>	<u>49,230</u>	<u>62,118</u>
Non-current liabilities					
Bank loans	25	1,086	2,358	1,086	2,358
Other payables		69	314	-	-
Lease liabilities		4,498	1,806	425	24
Lease liabilities from financial institutions		-	12	-	12
Deferred tax liabilities		701	421	270	-
Total non-current liabilities		<u>6,354</u>	<u>4,911</u>	<u>1,781</u>	<u>2,394</u>

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		31-Dec-23 S\$'000	31-Dec-22 S\$'000	31-Dec-23 S\$'000	31-Dec-22 S\$'000
Capital, reserves and non-controlling interests					
Share capital	26	123,276	123,276	123,276	123,276
Treasury shares	27	(3,086)	(2,836)	(3,086)	(2,836)
Other reserves		(16,983)	(6,917)	(16,980)	(7,318)
(Accumulated losses)/Retained earnings		(6,583)	37,708	(27,398)	17,190
Equity attributable to owners of the Company		96,624	151,231	75,812	130,312
Non-controlling interests		477	487	-	-
Total equity		97,101	151,718	75,812	130,312
Total liabilities and equity		177,679	234,140	126,823	194,824

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Share	Treasury	Capital	Premium on acquisition of non-controlling	Investment revaluation	Property revaluation	Currency translation	(Accumulated losses)/ Retained earnings	Attributable to equity holders	Non-controlling	Total
	capital S\$'000	shares S\$'000	reserve S\$'000	interests S\$'000	reserve S\$'000	reserve S\$'000	reserve S\$'000	S\$'000	of the Company S\$'000	interests S\$'000	S\$'000
Balance as at 1 January 2023	123,276	(2,836)	22	(881)	(7,351)	1,696	(403)	37,708	151,231	487	151,718
Total comprehensive loss for the year											
Loss for the year	-	-	-	-	-	-	-	(42,466)	(42,466)	(10)	(42,476)
Gain on disposal of investment securities transferred between reserves	-	-	-	-	(2,425)	-	-	2,425	-	-	-
Other comprehensive loss for the year	-	-	-	-	(7,237)	-	(404)	-	(7,641)	-	(7,641)
Total	-	-	-	-	(9,662)	-	(404)	(40,041)	(50,107)	(10)	(50,117)
Transactions with owners, recognised directly in equity											
Dividend	-	-	-	-	-	-	-	(4,250)	(4,250)	-	(4,250)
Purchase of treasury shares	-	(250)	-	-	-	-	-	-	(250)	-	(250)
Total	-	(250)	-	-	-	-	-	(4,250)	(4,500)	-	(4,500)
Balance as at 31 December 2023	<u>123,276</u>	<u>(3,086)</u>	<u>22</u>	<u>(881)</u>	<u>(17,013)</u>	<u>1,696</u>	<u>(807)</u>	<u>(6,583)</u>	<u>96,624</u>	<u>477</u>	<u>97,101</u>
Balance as at 1 January 2022	123,276	(2,823)	556	(881)	5,433	1,696	(46)	32,166	159,377	(1,438)	157,939
Total comprehensive income (loss) for the year											
Profit/(Loss) for the year	-	-	-	-	-	-	-	7,258	7,258	(33)	7,225
Gain on disposal of investment securities transferred between reserves	-	-	-	-	(1,748)	-	-	1,748	-	-	-
Other comprehensive loss for the year	-	-	-	-	(11,036)	-	(357)	-	(11,393)	-	(11,393)
Total	-	-	-	-	(12,784)	-	(357)	9,006	(4,135)	(33)	(4,168)
Transactions with owners, recognised directly in equity											
Dividend	-	-	-	-	-	-	-	(3,998)	(3,998)	-	(3,998)
Purchase of treasury shares	-	(13)	-	-	-	-	-	-	(13)	-	(13)
Loss from disposal of non-controlling interest with change in control	-	-	(534)	-	-	-	-	534	-	1,958	1,958
Total	-	(13)	(534)	-	-	-	-	(3,464)	(4,011)	1,958	(2,053)
Balance as at 31 December 2022	<u>123,276</u>	<u>(2,836)</u>	<u>22</u>	<u>(881)</u>	<u>(7,351)</u>	<u>1,696</u>	<u>(403)</u>	<u>37,708</u>	<u>151,231</u>	<u>487</u>	<u>151,718</u>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Investment revaluation reserve S\$'000	(Accumulated losses)/ Retained earnings S\$'000	Total S\$'000
Balance as at 1 January 2023	123,276	(2,836)	33	(7,351)	17,190	130,312
Total comprehensive loss for the year						
Loss for the year	-	-	-	-	(42,763)	(42,763)
Gain on disposal of investment securities transferred between reserves	-	-	-	(2,425)	2,425	-
Other comprehensive loss for the year	-	-	-	(7,237)	-	(7,237)
Total	-	-	-	(9,662)	(40,338)	(50,000)
Transactions with owners, recognised directly in equity						
Dividends	-	-	-	-	(4,250)	(4,250)
Purchase of treasury shares	-	(250)	-	-	-	(250)
Total	-	(250)	-	-	(4,250)	(4,500)
Balance as at 31 December 2023	<u>123,276</u>	<u>(3,086)</u>	<u>33</u>	<u>(17,013)</u>	<u>(27,398)</u>	<u>75,812</u>
Balance as at 1 January 2022	123,276	(2,823)	22	5,433	9,680	135,588
Total comprehensive income (loss) for the year						
Profit for the year	-	-	-	-	9,760	9,760
Gain on disposal of investment securities transferred between reserves	-	-	-	(1,748)	1,748	-
Other comprehensive loss for the year	-	-	-	(11,036)	-	(11,036)
Total	-	-	-	(12,784)	11,508	(1,276)
Transactions with owners, recognised directly in equity						
Dividends	-	-	-	-	(3,998)	(3,998)
Purchase of treasury shares	-	(13)	-	-	-	(13)
Waiver of debts from related companies	-	-	11	-	-	11
Total	-	(13)	11	-	(3,998)	(4,000)
Balance as at 31 December 2022	<u>123,276</u>	<u>(2,836)</u>	<u>33</u>	<u>(7,351)</u>	<u>17,190</u>	<u>130,312</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	12 months ended 31 December 2023	12 months ended 31 December 2022
	S\$'000	S\$'000
Operating activities		
(Loss)/Profit before income tax from continuing operations	(41,978)	9,264
Loss before income tax from discontinued operations	-	(1,959)
	<u>(41,978)</u>	<u>7,305</u>
Adjustments for:		
Share of loss/(profit) of an associate	2	(4)
Depreciation of plant and equipment (Note A)	660	742
Depreciation of right-of-use assets (Note A)	3,612	4,309
Interest expenses	3,035	1,409
Interest income from fixed deposits	(19)	(12)
Interest income from lease receivables	(26)	(81)
Interest income from loans to third parties	(950)	(1,706)
Interest income from investment in debt securities	(10,811)	(5,213)
Gain on disposal of plant and equipment	(31)	(30)
Gain on disposal of right-of-use assets	(3)	(15)
Gain on disposal of investment in debt securities	(151)	(501)
Plant and equipment written off	18	17
Loss allowance for other provisions	13	-
Loss on change in control of subsidiaries	-	1,958
Allowance for inventories	120	201
Reversal of inventories written off	-	(1)
Loss allowance for trade receivables	8,065	2,705
Loss allowance for doubtful non-trade receivables	232	-
Allowance for impairment loss of plant and equipment	58	16
Allowance for impairment loss of right-of-use assets	279	471
Loss allowance/(Reversal of loss allowance) on investment in debt securities	47,571	(4,492)
Bad debts written off - trade	-	4
Fair value gain on unquoted equity investment	-	(109)
Fair value gain on convertible loan	(244)	(881)
Fair value loss on derivative assets	64	180
Fair value gain on quoted equity investment	(2,981)	-
Fair value changes on investment property	43	(153)
Net foreign exchange loss/(gain)	544	(116)
Operating cash flows before movements in working capital	<u>7,122</u>	<u>6,003</u>
Trade receivables	894	(657)
Other receivables and prepayments	429	2,081
Inventories	(7,870)	(4,406)
Trade payables	7,537	(2,146)
Other payables	(487)	(308)
Cash generated from operations	<u>7,625</u>	<u>567</u>
Income tax paid	(81)	(280)
Interest received	45	93
Interest received from debt securities	445	2,164
Interest received from loans to third parties	701	2,350
Net cash generated from operating activities	<u><u>8,735</u></u>	<u><u>4,894</u></u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Group	
	12 months ended 31	12 months ended 31
	December 2023	December 2022
Investing activities		
Proceeds from disposal of plant and equipment	105	181
Purchase of plant and equipment (Note B)	(593)	(532)
Proceeds from disposal of quoted equity securities	18,303	12,311
Purchase of quoted equity securities	(90)	(39,323)
Investment in unquoted equity securities	-	(90)
Proceeds from disposal of quoted debt securities	29,149	12,034
Purchase of quoted debt securities	(32,859)	(37,426)
Repayment of loan from a third party	2,331	24,000
Net cash generated from/(used in) investing activities	<u>16,346</u>	<u>(28,845)</u>
Financing activities		
Purchase of treasury shares	(250)	(13)
Interest paid	(3,022)	(1,354)
Repayment of lease liabilities	(4,062)	(4,588)
Repayment of lease liabilities from financial institutions	(74)	(85)
Repayment of bank borrowings	(52,404)	(40,980)
Proceeds from bank borrowings	41,124	62,728
Dividends paid to shareholders	(4,250)	(3,998)
Net cash (used in)/generated from financing activities	<u>(22,938)</u>	<u>11,710</u>
Net increase/(decrease) in cash and cash equivalents	2,143	(12,241)
Cash and cash equivalents at beginning of period	12,768	25,009
Effects of exchange rate changes on the balance of cash held in foreign currencies	(5)	-
Cash and cash equivalents at end of period	<u>14,906</u>	<u>12,768</u>

Note

A. Depreciation expense:

In YTD-23, included in depreciation expense of \$4,272,000 (YTD-22: \$5,051,000) in the statement of cash flows is \$4,087,000 (YTD-22: \$4,852,000) which is classified in other operating expenses (Note 8) with the remaining classified in cost of sales.

B. Purchase of property, plant and equipment:

In YTD-23, the Group acquired plant and equipment with an aggregate cost of \$593,000 (YTD-22: \$532,000) of which \$Nil (YTD-22: \$Nil) was acquired under hire purchase loan arrangements with financial institutions.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

MDR Limited (the Company) is incorporated and domiciled in Singapore and its shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the Group).

The primary activities of the Company are that of investment holding and provision of after-market services for mobile communication devices and consumer electronic products.

The principal activities of the Group are:

- a) provision of after-market services for mobile equipment and consumer electronic products;
- b) distributor and retailer of mobile telecommunication equipment and mobile related services, including prepaid cards;
- c) the provision of digital inkjet printing for point-of-sale and out-of-home advertising solutions; and
- d) investment

2 BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following:

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2 BASIS OF PREPARATION (CONT'D)

2.2. Use of judgements and estimates (cont'd)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

Valuation of inventories

In determining the net realisable value of the inventories, an estimation of the net realisable value of inventories on hand is performed by management based on the most reliable evidence available at the time the estimates are made. These estimates took into consideration the latest selling prices and the saleability of these inventories. The carrying amount of inventories as at 31 December 2023 is disclosed in Note 18 to the condensed interim consolidated financial statements.

Recoverable amount of property, plant and equipment and right-of-use assets for non-performing outlets

Determining whether property, plant and equipment and right-of-use assets are impaired where indicators of impairment exist requires an estimation of the recoverable amount of these assets. The recoverable amount is based on the value in use of the cash-generating unit, to which the assets belong to. The value in use methodology that is based on cash flow forecasts requires significant management's judgement about future market conditions, including growth rates and discount rates.

The carrying amount of property, plant and equipment and right-of-use assets as at 31 December 2023 are disclosed in Notes 19 and 20 to the condensed interim consolidated financial statements respectively.

Valuation of debt securities

The Group makes allowances for expected credit losses based on an assessment of the recoverability of the debt securities measured at amortised cost and fair value through other comprehensive income. The impairment provisions for debt securities are based on assumptions about risk of default of the issuer and the exposure on default. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation based on the financials of the issuers, existing market conditions as well as forward looking estimates at the end of each reporting period.

The identification of loss allowance requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will have an impact on the carrying amount of the debt securities and loss allowance in the period in which such estimate has been changed.

The justification on the provision of expected credit loss allowance for the debt securities and the carrying amount of debt securities as at 31 December 2023 is disclosed in Note 22 to the condensed interim consolidated financial statements.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3 SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 SEGMENT AND REVENUE INFORMATION

For management purposes, the Group is organized into four business segments, After-Market Services ("AMS"), Distribution Management Solutions ("DMS"), Digital Inkjet Printing for Out-Of-Home Advertising Solutions ("DPAS") and Investment.

AMS provides after market services for mobile equipment and consumer electronic products; DMS is a distributor and retailer of mobile telecommunication equipment and mobile related services, including prepaid cards; DPAS provides digital inkjet printing for point-of-sale and out-of-home advertising solutions; Investment segment primarily comprises investment in marketable securities.

The segments are the basis which the Group reports information to the Group's key operating decision makers for the purposes of resource allocation and assessment of the segment information.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

(a) Reportable Segment

1 July 2023 to 31 December 2023 S\$'000	<----Continuing Operation----->					Total
	AMS	DMS	DPAS	Investment	Unallocated	
Segment revenue						
External	11,016	100,374	2,081	8,811	-	122,282
Inter-segment	-	-	-	-	-	-
	<u>11,016</u>	<u>100,374</u>	<u>2,081</u>	<u>8,811</u>	<u>-</u>	<u>122,282</u>
Segment result	133	30	409	(24,966)	455	(23,939)
Net foreign exchange (loss)						(1,319)
Gain on disposal of plant and equipment						11
Gain on disposal of right-of-use assets						3
Loss before income tax & share of associate results						<u>(25,244)</u>
Share of loss of associate						<u>(1)</u>
Loss before income tax						<u>(25,245)</u>
Income tax expense						<u>(376)</u>
Net loss for the period						<u>(25,261)</u>
Segment assets	<u>7,800</u>	<u>53,128</u>	<u>10,740</u>	<u>106,011</u>	<u>-</u>	<u>177,679</u>
Segment liabilities	<u>(3,876)</u>	<u>(26,151)</u>	<u>(3,464)</u>	<u>(46,817)</u>	<u>(270)</u>	<u>(80,578)</u>
Other segment information						
Capital expenditure – property, plant and equipment	45	188	77	-	-	310
Capital expenditure - right-of-use assets	1,299	5,283	-	-	-	6,582
Loss allowance on investment in debt securities	-	-	-	26,019	-	26,019
Depreciation – property, plant and equipment	135	155	46	-	-	336
Depreciation – right-of-use assets	411	1,487	58	-	-	1,956
Allowance for impairment of plant and equipment	-	58	-	-	-	58
Allowance for impairment of right-of-use assets	-	279	-	-	-	279
Plant and equipment written off	-	17	-	-	-	17
(Reversal of loss allowance)/Loss allowance for inventories	(3)	(12)	13	-	-	(2)
Loss allowance/(Reversal of loss allowance) for trade receivables	-	29	(31)	5,818	-	5,816
Allowance for other provision	-	21	-	-	-	21
Gain on disposal of debt securities	-	-	-	(36)	-	(36)
Interest income (recorded under revenue)	-	-	-	(6,885)	-	(6,885)
Interest income (recorded under other operating income)	-	(9)	(8)	(1)	-	(18)
Interest expenses	54	138	63	1,319	-	1,574
Fair value gain on debt securities	-	-	-	-	-	-
Fair value gain on convertible loan	-	-	-	-	-	-
Fair value loss on derivative asset	-	-	-	-	-	-
Fair value gain on quoted equity investment	-	-	-	(1,825)	-	(1,825)
Change in fair value of investment property	-	-	-	43	-	43

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

1 January 2023 to 31 December 2023 S\$'000	<----Continuing Operation----->					Total
	AMS	DMS	DPAS	Investment	Unallocated	
Segment revenue						
External	21,728	173,678	4,161	16,036	-	215,603
Inter-segment	-	-	-	-	-	-
	<u>21,728</u>	<u>173,678</u>	<u>4,161</u>	<u>16,036</u>	<u>-</u>	<u>215,603</u>
Segment result	380	(26)	936	(42,284)	5	(40,989)
Net foreign exchange loss						(1,021)
Gain on disposal of plant and equipment						31
Gain on disposal of right-of-use assets						3
Losses before income tax & share of associate results						<u>(41,976)</u>
Share of loss of associate						(2)
Losses before income tax						<u>(41,978)</u>
Income tax expense						(498)
Net loss for the year						<u>(42,476)</u>
Segment assets	7,800	53,128	10,740	106,011	-	177,679
Segment liabilities	(3,876)	(26,151)	(3,464)	(46,817)	(270)	(80,578)
Other segment information						
Capital expenditure – property, plant and equipment	66	418	109	-	-	593
Capital expenditure - right-of-use assets	1,299	5,617	-	-	-	6,916
Loss allowance on investment in debt securities	-	-	-	47,571	-	47,571
Depreciation – property, plant and equipment	270	293	97	-	-	660
Depreciation – right-of-use assets	756	2,737	119	-	-	3,612
Allowance for impairment of plant and equipment	-	58	-	-	-	58
Allowance for impairment of right-of-use assets	-	279	-	-	-	279
Plant and equipment written off	-	18	-	-	-	18
Allowance for inventories	25	82	13	-	-	120
Loss allowance/(Reversal of loss allowance)/ for trade receivables	-	29	(38)	8,074	-	8,065
Gain on disposal of debt securities	-	-	-	(151)	-	(151)
Interest income (recorded under revenue)	-	-	-	(11,761)	-	(11,761)
Interest income (recorded under other operating income)	-	(27)	(15)	(3)	-	(45)
Interest expenses	64	252	128	2,591	-	3,035
Fair value gain on debt securities	-	-	-	-	-	-
Fair value gain on convertible loan	-	-	-	(244)	-	(244)
Fair value loss on derivative asset	-	-	-	64	-	64
Fair value gain on quoted equity investment	-	-	-	(2,981)	-	(2,981)
Change in fair value of investment property	-	-	43	-	-	43

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

1 July 2022 to 31 December 2022 S\$'000	<----Continuing Operation----->						Total
	AMS	DMS	DPAS	Investment	Discontinued Operation	Unallocated	
Segment revenue							
External	9,406	75,334	2,376	5,740	-	-	92,856
Inter-segment	-	-	-	-	-	-	-
	<u>9,406</u>	<u>75,334</u>	<u>2,376</u>	<u>5,740</u>	<u>-</u>	<u>-</u>	<u>92,856</u>
Segment result	85	(983)	777	12,463	-	455	12,797
Net foreign exchange (loss)							(433)
Gain on disposal of plant and equipment							15
Gain on disposal of right-of-use assets							12
Profits before income tax & share of associate results							<u>12,391</u>
Share of profit of associate							<u>2</u>
Profits before income tax							<u>12,393</u>
Income tax credit							<u>27</u>
Net profit for the year							<u>12,420</u>
Segment assets	<u>5,576</u>	<u>43,724</u>	<u>11,396</u>	<u>173,443</u>	<u>1</u>	<u>-</u>	<u>234,140</u>
Segment liabilities	<u>(3,637)</u>	<u>(13,658)</u>	<u>(3,879)</u>	<u>(60,827)</u>	<u>-</u>	<u>(421)</u>	<u>(82,422)</u>
Other segment information							
Capital expenditure – property, plant and equipment	9	257	79	-	-	-	345
Capital expenditure - right-of-use assets	-	2,254	-	-	-	-	2,254
Reversal of loss allowance on investment in debt securities	-	-	-	(10,721)	-	-	(10,721)
Depreciation – property, plant and equipment	141	152	55	1	-	-	349
Depreciation – right-of-use assets	350	1,736	62	-	-	-	2,148
Allowance for impairment of plant and equipment	-	16	-	-	-	-	16
Allowance for impairment of right-of-use assets	-	471	-	-	-	-	471
Plant and equipment written off	5	10	-	-	-	-	15
(Reversal of allowance)/Allowance for inventories	(13)	66	(3)	-	-	-	50
(Reversal of inventories written off)/Inventories written off	-	(5)	4	-	-	-	(1)
(Reversal of allowance)/Allowance for trade receivables	(3)	22	21	909	-	-	949
Gain on disposal of debt securities	-	-	-	(493)	-	-	(493)
Interest income (recorded under revenue)	-	-	-	(3,587)	-	-	(3,587)
Interest income (recorded under other operating income)	-	(33)	(5)	(2)	-	-	(40)
Interest expenses	19	87	64	766	-	-	936
Fair value gain on debt securities	-	-	-	(109)	-	-	(109)
Fair value gain on convertible loan	-	-	-	(881)	-	-	(881)
Fair value loss on derivative asset	-	-	-	180	-	-	180
Change in fair value of investment property	-	-	-	(153)	-	-	(153)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

1 January 2022 to 31 December 2022 S\$'000	<----Continuing Operation----->						Total
	AMS	DMS	DPAS	Investment	Discontinued Operation	Unallocated	
Segment revenue							
External	17,329	142,111	4,419	11,621	-	-	175,480
Inter-segment	-	-	-	-	-	-	-
	<u>17,329</u>	<u>142,111</u>	<u>4,419</u>	<u>11,621</u>	<u>-</u>	<u>-</u>	<u>175,480</u>
Segment result	145	(1,263)	1,275	8,674	(1,959)	8	6.880
Net foreign exchange gain							376
Gain on disposal of plant and equipment							30
Gain on disposal of right-of-use assets							15
Profits before income tax & share of associate results							<u>7,301</u>
Share of profit of associate							4
Profits before income tax							<u>7,305</u>
Income tax expense							(80)
Net profit for the year							<u>7,225</u>
Segment assets	5,576	43,724	11,396	173,443	1	-	234,140
Segment liabilities	(3,637)	(13,658)	(3,879)	(60,827)	-	(421)	(82,422)
Other segment information							
Capital expenditure – property, plant and equipment	29	357	146	-	-	-	532
Capital expenditure - right-of-use assets	198	2,551	-	-	-	-	2,749
Reversal of loss allowance on investment in debt securities	-	-	-	(4,492)	-	-	(4,492)
Depreciation – property, plant and equipment	296	328	117	1	-	-	742
Depreciation – right-of-use assets	706	3,476	127	-	-	-	4,309
Allowance for impairment of plant and equipment	-	16	-	-	-	-	16
Allowance for impairment of right-of-use assets	-	471	-	-	-	-	471
Plant and equipment written off	5	12	-	-	-	-	17
Allowance for inventories	32	166	3	-	-	-	201
(Reversal of inventories written off)/Inventories written off	-	(5)	4	-	-	-	(1)
(Reversal of allowance)/Allowance for trade receivables	(3)	22	32	2,654	-	-	2,705
Gain on disposal of debt securities	-	-	-	(501)	-	-	(501)
Interest income (recorded under revenue)	-	-	-	(6,919)	-	-	(6,919)
Interest income (recorded under other operating income)	-	(82)	(9)	(2)	-	-	(93)
Interest expenses	49	205	124	1,031	-	-	1,409
Fair value gain on debt securities	-	-	-	(109)	-	-	(109)
Fair value gain on convertible loan	-	-	-	(881)	-	-	(881)
Fair value loss on derivative asset	-	-	-	180	-	-	180
Change in fair value of investment property	-	-	(153)	-	-	-	(153)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

(b) Geographical information

	Revenue from external customers	
	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Continuing Operation		
Singapore	211,442	171,061
Malaysia	4,161	4,419
	<u>215,603</u>	<u>175,480</u>

	Non-current assets	
	31 December 2023 \$'000	31 December 2022 \$'000
Continuing Operation		
Singapore	103,137	163,425
Malaysia	7,555	8,132
	<u>110,692</u>	<u>171,557</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

(c) Breakdown of Sales

	Financial year ended 31 December 2023	Financial year ended 31 December 2022	Inc/(Dec)
	S\$'000	S\$'000	
<u>Continuing operation</u>			
Sales reported for first half year	93,321	82,624	13%
Operating loss after tax before deducting non-controlling interests reported for first half year	(16,855)	(3,236)	421%
Sales reported for second half year	122,282	92,856	31.7%
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(25,621)	12,420	N.M.
<u>Discontinued operation</u>			
Sales reported for first half year	-	-	N.M.
Operating (loss) profit after tax before deducting non-controlling interests reported for first half year	-	(1,959)	N.M.
Sales reported for second half year	-	-	N.M.
Operating profit after tax before deducting non-controlling interests reported for second half year	-	-	N.M.

5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 31 December 2022:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial instruments, designated as at FVTOCI	101,162	158,695	101,162	158,695
Financial instruments designated as at FVTPL	4,839	4,834	4,839	4,834
Amortised cost (including cash and cash equivalents)	28,886	37,964	14,881	25,916
	<u>134,887</u>	<u>201,493</u>	<u>120,882</u>	<u>189,445</u>
Financial liabilities				
Amortised cost	69,636	73,841	49,452	63,766

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6 REVENUE, COST OF GOODS SOLD AND GROSS PROFIT

The Group operates in four business segments – After Market Services (AMS), Distribution Management Solutions (DMS), Digital Inkjet Printing for Out-Of-Home Advertising Solutions (DPAS), and Investment.

The breakdown of revenue and cost of goods sold and spare parts are as follows:

	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	12 months ended 31 December 2023 S\$'000	12 months ended 31 December 2022 S\$'000
Revenue				
AMS	11,016	9,406	21,728	17,329
DMS	100,374	75,334	173,678	142,111
DPAS	2,081	2,376	4,161	4,419
Investment	8,811	5,740	16,036	11,621
	<u>122,282</u>	<u>92,856</u>	<u>215,603</u>	<u>175,480</u>
Cost of goods sold				
AMS	(8,559)	(7,155)	(16,925)	(12,978)
DMS	(94,556)	(70,175)	(163,391)	(132,126)
DPAS	(1,394)	(1,498)	(2,729)	(2,855)
Investment	-	-	-	-
	<u>(104,509)</u>	<u>(78,828)</u>	<u>(183,045)</u>	<u>(147,959)</u>
Gross profit				
AMS	2,457	2,251	4,803	4,351
DMS	5,818	5,159	10,287	9,985
DPAS	687	878	1,432	1,564
Investment	8,811	5,740	16,036	11,621
	<u>17,773</u>	<u>14,028</u>	<u>32,558</u>	<u>27,521</u>
GP%				
AMS	22%	24%	22%	25%
DMS	6%	7%	6%	7%
DPAS	33%	37%	34%	35%
Investment	100%	100%	100%	100%
	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>16%</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

7 OTHER OPERATING INCOME

	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	12 months ended 31 December 2023 S\$'000	12 months ended 31 December 2022 S\$'000
<u>Interest income:</u>				
Fixed deposit	10	8	19	12
Lease interest income	8	32	26	81
Rental income	155	217	362	443
Rental support	1,541	1,003	2,565	1,989
<u>Government grants:</u>				
Wage credit	-	-	113	34
Work life grant	40	-	40	25
Job support scheme	-	-	-	2
Job growth incentive	-	11	-	36
Small business recovery grant	-	-	-	40
Consent fee	1	-	1,191	146
Change in fair value of investment property	(43)	153	(43)	153
Gain on disposal of plant and equipment	11	15	31	30
Gain on disposal of right-of-use assets	3	12	3	15
Others	3	53	25	60
	<u>1,729</u>	<u>1,504</u>	<u>4,332</u>	<u>3,066</u>
<u>Gain arising from derecognition of financial assets:</u>				
Gain on disposal of investment in debt securities	36	493	151	501
	<u>36</u>	<u>493</u>	<u>151</u>	<u>501</u>
	<u>1,765</u>	<u>1,997</u>	<u>4,483</u>	<u>3,567</u>

Rental income pertains to the rental contribution from DPAS division with the premises fully leased to a third party since December 2021.

Rental support pertains to the recovery of support from a principal for the leases of certain outlets.

The consent fee was in relation to the fees paid by issuers of certain distressed debt securities as part of their restructuring of the debt securities.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8 OTHER OPERATING EXPENSES

	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	12 months ended 31 December 2023 S\$'000	12 months ended 31 December 2022 S\$'000
Rental expenses	37	17	79	18
Depreciation of property, plant and equipment	306	314	594	670
Depreciation of right-of-use assets	1,898	2,086	3,493	4,182
Plant and equipment written off	17	15	18	17
(Reversal of allowance)/Allowance for inventories	(2)	51	120	201
Inventories (write back)	-	(1)	-	(1)
Trade receivables written off	-	4	-	4
Provision for other provision	21	-	13	-
Foreign currency exchange loss/(gain)	1,319	433	1,021	(377)
	<u>3,596</u>	<u>2,919</u>	<u>5,338</u>	<u>4,714</u>
<u>Fair value movement on financial assets:</u>				
Fair value gain on unquoted equity investment	-	(109)	-	(109)
Fair value gain on convertible loan	-	(881)	(244)	(881)
Fair value loss on derivative asset	-	180	64	180
Fair value gain on quoted equity investment	(1,825)	-	(2,981)	-
	<u>(1,825)</u>	<u>(810)</u>	<u>(3,161)</u>	<u>(810)</u>
<u>Impairment loss/(Reversal of impairment loss) on financial assets:</u>				
Allowance for impairment of right-of-use assets	279	471	279	471
Allowance for impairment on plant and equipment	58	16	58	16
Loss allowance for trade receivables	5,816	949	8,065	2,705
Loss allowance for non trade receivables	232	-	232	-
Allowance/(Reversal of allowance) on investment in debt securities	26,019	(10,721)	47,571	(4,492)
	<u>32,404</u>	<u>(9,285)</u>	<u>56,205</u>	<u>(1,300)</u>
	<u>34,175</u>	<u>(7,176)</u>	<u>58,382</u>	<u>2,604</u>

Allowance for impairment of right-of-use assets and plant and equipment in 2H-23 pertains to the impairment of leases and renovation respectively for the non-performing outlets of DMS business.

Higher loss allowance for trade receivables in 2H-23 was mainly in relation to coupon interest accrued for certain distressed debt securities.

Loss allowance on investment in debt securities in 2H-23 was recorded in view of the significant increase in credit risk of distressed debt securities and was derived based on the difference between expected recovery and carrying value of the debt securities.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

9 FINANCE COSTS

	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	12 months ended 31 December 2023 S\$'000	12 months ended 31 December 2022 S\$'000
Interest expense on bank loans	1,394	827	2,735	1,147
Interest expense on lease liabilities	179	106	297	255
Interest expense on lease liabilities from financial institutions	1	3	3	7
	<u>1,574</u>	<u>936</u>	<u>3,035</u>	<u>1,409</u>

10 INCOME TAX EXPENSE/(CREDIT)

The Group calculates the period income tax expense /(credit) using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	12 months ended 31 December 2023 S\$'000	12 months ended 31 December 2022 S\$'000
Current tax	83	140	205	255
Deferred tax	(30)	37	(30)	37
	53	177	175	292
Under/(Over) provision in respect of prior years:				
- current tax	(10)	(175)	(10)	(183)
- deferred tax	333	(29)	333	(29)
Tax expense/(credit)	<u>376</u>	<u>(27)</u>	<u>498</u>	<u>80</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

11 INCOME STATEMENT FOR DISCONTINUED OPERATIONS

	6 months ended 31 December 2023 S\$'000	6 months ended 31 December 2022 S\$'000	12 months ended 31 December 2023 S\$'000	12 months ended 31 December 2022 S\$'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross Profit	-	-	-	-
Other income	-	-	-	(1)
Administrative expenses	-	-	-	-
Other operating expenses	-	-	-	(1,958)
Profit before income tax	-	-	-	(1,959)
Income tax expense	-	-	-	-
Profit for the year from discontinued operations	-	-	-	(1,959)
Profit attributable to:				
Owners of the Company	-	-	-	(1,959)
Non-controlling interests	-	-	-	-
	-	-	-	(1,959)

The other operating expenses in YTD-22 was due to the loss on change in control of subsidiaries of \$1,958,000 which pertains to the deconsolidation of certain Myanmar business related dormant subsidiaries, Golden Myanmar Sea (S) Pte. Ltd., Golden Myanmar Sea Co., Ltd and MDR Golden Myanmar Sea Co., Ltd, in which the Group de-recognised the carrying amount of the non-controlling interest mainly in relation to the cumulative losses incurred from FY2013 to FY2017.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

12 EARNINGS PER SHARE

	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	Cents	Cents	Cents	Cents
From continuing and discontinued operations:				
- Basic	(2.928)	1.421	(4.855)	0.829
- Fully diluted	(2.928)	1.421	(4.855)	0.829
From continuing operations:				
- Basic	(2.928)	1.421	(4.855)	1.052
- Fully diluted	(2.928)	1.421	(4.855)	1.052
From discontinued operations:				
- Basic	-	-	-	(0.224)
- Fully diluted	-	-	-	(0.224)

Basic earnings per ordinary share is computed based on the weighted average number of shares in issue of 874,721,726 during the period (31 December 2022: 875,684,331).

Fully diluted earnings per ordinary share is computed based on the weighted average number of shares during the period adjusted for the effect of all potential dilutive ordinary shares of 874,721,726 (31 December 2022: 875,684,331).

13 NET ASSET VALUE

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Cents	Cents	Cents	Cents
Net Asset Value ("NAV") per share	11.08	17.27	8.70	14.88

The NAV per share as at 31 December 2023 is calculated based on 871,729,770 (excluding 35,347,783 ordinary shares held as treasury shares) (31 December 2022: 875,562,570 ordinary shares, excluding 31,514,983 ordinary shares held as treasury shares).

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14 DIVIDENDS

	Group and Company	
	FY 2023	FY 2022
	S\$'000	S\$'000
Ordinary dividends declared and paid: One-tier exempt final dividend of a total of S\$0.004854 per share paid on 28 June 2023 in respect of the financial year ended 31 December 2022 (FY2022: \$0.004567 per shares paid on 16 Aug 2022 in respect of the financial year ended 31 December 2021)	4,250	3,998

15 RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions were entered into by the Group with related parties at terms agreed between the parties during the financial year. The balances with related parties are unsecured, interest-free and repayable on demand unless otherwise stated.

During the period, the Group entered into the following related party transactions:

	Group			
	6 months ended 31 December 2023	6 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Nature of transactions</u>				
<i>Transactions with companies owned by common Directors:</i>				
Rental payments	202	171	373	342

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received, unless otherwise stated in the respective notes to the financial statements.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

16 TRADE RECEIVABLES

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Third parties	8,563	8,338	1,941	1,342
Accrued income	3,334	4,501	100	226
Accrued interest receivables from debt securities	11,306	4,712	11,306	4,712
Loan receivables from third parties	811	2,947	811	2,947
Others	121	-	-	-
Related parties	147	156	-	-
	24,282	20,654	14,158	9,227
Less: Loss allowance for trade receivables	(12,499)	(4,631)	(12,119)	(3,912)
	11,783	16,023	2,039	5,315

The average credit period on sales is 30 days (2022: 30 days). No interest is charged on outstanding trade receivables.

The decrease in loan receivables from third parties is mainly due to partial redemption of loan by a third-party company and the discharge of mortgage over the property secured for the loan.

Loss allowance for trade receivables of \$5.8 million (31 December 2022: \$949,000) has been determined for the six months ended 31 December 2023, mainly in relation to the interest receivables pertaining to investment in debt securities arising from significant increase in credit risk of certain distressed debt securities, and the accrued interest of loan to the third-party company.

17 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Deposits	1,168	1,236	238	163
Prepayments	293	235	71	71
Third parties	1,382	2,009	260	33
	2,843	3,480	569	267
Subsidiaries	-	-	10,687	15,544
	2,843	3,480	11,256	15,811
Less: Loss allowance for other receivables				
- subsidiaries	-	-	(1,047)	(3,165)
- others	(232)	(226)	(232)	-
	(232)	(226)	(1,279)	(3,165)
	2,611	3,254	9,977	12,646
Analysed as:				
Current	1,642	2,387	9,800	12,596
Non-current	969	867	177	50
	2,611	3,254	9,977	12,646

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

17 OTHER RECEIVABLES AND PREPAYMENTS (CON'D)

Other receivables and prepayments (non-current)

This pertains to rental and utility deposits for leases and lease receivables, that are more than 1 year.

18 INVENTORIES

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Spare parts, handsets, Accessories and prepaid cards	25,308	17,507	971	748
Raw materials	584	635	-	-
	25,892	18,142	971	748

During the six months ended 31 December 2023, reversal of allowance for inventory obsolescence of \$2,000 (six month ended 31 December 2022: allowance of \$51,000) was made.

19 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2023, the Group acquired assets with an aggregate cost of \$310,000 (six months ended 31 December 2022: \$345,000) and disposed of assets with a net book value amounting to \$33,000 (six months ended 31 December 2022: \$51,000).

As at 31 December 2023, the carrying amount of the Group's property, plant and equipment was inclusive of an allowance for impairment of renovation of \$67,000 (31 December 2022: \$63,000) for certain non-performing outlets of DMS business.

20 RIGHT-OF-USE ASSETS

As at 31 December 2023, the carrying amount of the Group's right-of-use assets relate to the leases of its office premises, retail outlets and service centres of \$7.5 million (31 December 2022: \$4.5 million), net of allowance for impairment of \$535,000 (31 December 2022: \$786,000) for leases of certain non-performing outlets of DMS business.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

21 INVESTMENT IN EQUITY SECURITIES

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Investments in quoted equity instruments designated as at FVTOCI	76,839	99,153	76,839	99,153
Investments in quoted equity instruments designated as at FVTPL	4,839	-	4,839	-
Investments in unquoted equity instruments designated as at FVTPL	-	1,879	-	1,879
	81,678	101,032	81,678	101,032

The Group measures its quoted equity securities at fair value through other comprehensive income and through profit and loss.

During the six months ended 31 December 2023, the Group has invested \$1,000 (six months ended 31 December 2022: \$17.1 million) and disposed of certain quoted equity securities with a cumulative fair value of \$6.6 million (six months ended 31 December 2022: \$10.3 million). The cumulative gain on disposal of \$877,000 (six months ended 31 December 2022: gain on disposal of \$1.7 million) was reclassified from Investment revaluation reserve to retained earnings.

For the year ended 31 December 2023, the Group has invested \$90,000 (31 December 2022: \$39.3 million) and disposed of certain quoted equity securities with a fair value of \$18.3 million (31 December 2022: \$12.3 million) at the date of disposal. The cumulative gain on disposal of \$2.4 million (31 December 2022: gain on disposal of \$1.7 million) was reclassified from Investment revaluation reserve to retained earnings.

The fair values of these securities are based on the quoted bid prices in an active market on the last market day of the period. Accordingly, these securities are classified under Level 1 of the fair value hierarchy. A net fair value decrease of \$7.2 million (31 December 2022: net fair value increase of \$5.0 million) was recorded for the year ended 31 December 2023, for quoted equity securities designated at fair value through other comprehensive income.

In April 2021, the Company subscribed for an unquoted equity security and entered into a put option arrangement to require the contracting party to purchase the unquoted equity security for a portion of the said shareholdings, to be exercised any time until initial public offering (IPO) approval of the shares of the unquoted equity security. The unquoted equity security was listed on NASDAQ in April 2023, as such the put option arrangement has lapsed and the fair value loss on derivative asset of \$64,000 was recognised in 1H-23. Upon listing on NASDAQ, the unquoted equity security was reclassified under investment in quoted equity designated at fair value through profit or loss and recorded at \$4.8 million as at 31 December 2023, with a fair value increase of \$1.8 million for the 6 months ended 31 December 2023.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

21 INVESTMENT IN EQUITY SECURITIES (CONT'D)

As at 31 December 2023, the Group invested in quoted equity securities of companies which are broadly categorised within the following business sectors:

Business Sectors	%
Real estate	34.8%
Financials	34.5%
Healthcare	10.8%
Infrastructure	7.8%
Technology	5.2%
Agriculture	3.9%
Leisure and hospitality	2.8%
Education	0.2%
TOTAL	100.0%

Below is the key information of the quoted equity securities as at 31 December 2023:

By Market Capitalisation	%
\$1 billion and above	82.1%
\$500 million to \$1 billion	1.4%
\$200 million to \$500 million	4.3%
\$200 million and below	12.2%
TOTAL	100.0%

By Exchange (based on market value)	%
SGX	45.9%
HKEX	43.0%
NASDAQ	10.6%
SIX	0.3%
ASX	0.2%
TOTAL	100.0%

By Currencies (based on market value)	%
HKD	43.0%
SGD	37.6%
USD	18.9%
CHF	0.3%
AUD	0.2%
TOTAL	100.0%

Weighted portfolio Information (based on simple weighted average calculation)

Market Capitalisation	\$23.67 billion
Dividend Yield	4.59%
5-year Beta	0.695
P/B	0.4x
EV/EBITDA	5.23x
Debt/EBITDA	3.99x

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

22 INVESTMENT IN DEBT SECURITIES

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
Quoted debt securities, at amortised cost	-	16,610	-	16,610
Quoted debts securities, fair value through other comprehensive income	24,323	59,542	24,323	59,542
Less: Loss allowance on investment in debt securities	-	(10,456)	-	(10,456)
	<u>24,323</u>	<u>65,696</u>	<u>24,323</u>	<u>65,696</u>
Analysed as:				
Current	12,654	13,027	12,654	13,027
Non-current	11,669	52,669	11,669	52,669
	<u>24,323</u>	<u>65,696</u>	<u>24,323</u>	<u>65,696</u>

The Group measures its quoted debt securities at amortised cost and fair value through other comprehensive income.

During the six months ended 31 December 2023, the Group has invested \$296,000 (six months ended 31 December 2022: \$22.3 million) mainly in Chinese real estate bonds, redeemed \$Nil (six months ended 31 December 2022: \$12.0 million) and disposed \$36,000 (six months ended 31 December 2022: \$Nil) in debt securities. For the year ended 31 December 2023, the Group has invested \$32.9 million (31 December 2022: \$37.4 million) mainly in Chinese property bonds at a low entry value, and redeemed \$560,000 (31 December 2022: \$12.0 million) and disposed \$28.6 million (31 December 2022: \$Nil) respectively in debt securities.

The investment in debt securities designated as amortised cost (Tsinghua Bond) was \$Nil as at 31 December 2023 (as at 31 December 2022: \$16.6 million), which was fully disposed in FY2023 and the loss allowance of \$10.4 million was reversed in FY2023.

For investment in debt securities designated as fair value through other comprehensive income, the loss allowance of \$26.0 million was recorded for the six months ended 31 December 2023 (six months ended 31 December 2022: reversal of loss allowance of \$10.7 million). The loss allowance of \$47.6 million was recorded for the year ended 31 December 2023 (31 December 2022: reversal of loss allowance of \$4.5 million), as the debt securities were assessed with a significant increase in the credit risk.

For quoted debt securities designated as fair value through other comprehensive income, the fair value of these securities is based on the quoted bid prices in an active market on the last market day of the period. Accordingly, these securities are classified under level 1 of the fair value hierarchy.

As at 31 December 2023, the Group invested in bonds and the issuers of the debt securities are of companies broadly categorised within the following business sectors:

Business Sectors (based on purchase consideration)	%
Real estate	99.7%
Education	0.3%
TOTAL	<u>100.0%</u>

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

22 INVESTMENT IN DEBT SECURITIES (CONT'D)

Below is the key information of the debt securities as at 31 December 2023:

By Exchange (based on purchase consideration)	%
SGX	64.7%
HKEX	35.3%
TOTAL	100.0%
By Currencies (based on purchase consideration)	%
USD	94.0%
SGD	6.0%
TOTAL	100.0%
By Credit Rating (based on purchase consideration)	%
CCC	2.5%
Non-rated	97.5%
TOTAL	100.0%

23 INVESTMENT PROPERTY

	Group	
	31 December 2023	31 December 2022
	S\$'000	S\$'000
Leasehold land and building		
At beginning of year	7,763	8,099
Currency realignment	(399)	(489)
Fair value (loss)/gain recognised in profit or loss	(43)	153
At end of period/ year	<u>7,321</u>	<u>7,763</u>

Fair value measurement of the Group's investment property

The Group's investment property is stated at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated impairment losses. Subsequent gain or loss arising from changes in the fair value of investment property are included in the profit or loss for the period in which it arises.

The fair value measurement of the Group's investment property was performed as at 31 December 2023 by independent qualified valuer, Jones Lang Wootton. The fair value of the Group's investment property is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value hierarchy. Level 3 fair value has been derived using the comparison method and depreciable replacement cost method.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

24 CONVERTIBLE LOAN

The convertible loan pertains to a loan of \$1.5 million extended to a third party company in 2020 with an initial maturity of 2 years from the date of disbursement that bore interest at 5.5% per annum. The loan is secured with the personal guarantee from the controlling shareholder of the borrower and a corporate guarantee from another company controlled by the same shareholder. The convertible loan was extended for a further one year in January 2023. The Group measures the convertible loan at fair value through profit or loss.

In April 2023, the Company converted the convertible loan of \$1.5 million into quoted shares of the third party company and reclassified under quoted equity investment designated at fair value through other comprehensive income. This resulted in the recognition of a fair value gain on convertible loan of \$244,000 in the profit and loss in YTD-23.

25 BANK OVERDRAFTS AND LOANS

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Secured - at amortised costs</u>				
Bank overdrafts	14,415	28,145	14,415	28,145
Bank loans	28,670	29,121	26,281	26,295
	43,085	57,266	40,696	54,440
<u>Unsecured - at amortised costs</u>				
Bank loans	2,360	3,596	2,360	3,596
Trust receipts	3,500	-	-	-
	5,860	3,596	2,360	3,596
Total	48,945	60,862	43,056	58,036
Analysed as:				
Current	47,859	58,504	41,970	55,678
Non-current	1,086	2,358	1,086	2,358
	48,945	60,862	43,056	58,036

Bank overdrafts and loans comprised mainly of bank loans of \$2.4 million secured for the financing of property in Malaysia for DPAS operations, bank overdrafts and term loans of \$14.4 million and \$26.3 million respectively for the investment in equity and debt securities, term loans of \$2.4 million and trust receipts of \$3.5 million for working capital.

The secured borrowings comprise bank loan of \$2.4 million secured against an open legal mortgage over a commercial property in Malaysia, bank overdrafts and term loans of \$40.7 million secured against the investments in quoted equity and debt securities.

Management has assessed and confirmed that there is no breach of any bank covenants as at 31 December 2023.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

26 SHARE CAPITAL

	<u>Group and Company</u>			
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Number of ordinary shares		S\$'000	S\$'000
Issued and paid up:				
At beginning of year and				
At end of period/ year	907,077,553	907,077,553	123,276	123,276

27 TREASURY SHARES

	<u>Group and Company</u>			
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Number of ordinary shares		S\$'000	S\$'000
At beginning of year	31,514,983	31,324,983	2,836	2,823
Repurchased during the year	3,832,800	190,000	250	13
At end of year	35,347,783	31,514,983	3,086	2,836

28 SUBSEQUENT EVENTS

The Company's wholly-owned subsidiary, Pixio Sdn. Bhd. entered into an agreement on 1 February 2024, in respect of the proposed sale of the property bearing postal address of No. 32, Jalan 223, Seksyen 51A, 46100 Petaling Jaya, Selangor, Malaysia which is classified as Investment property as at 31 December 2023 and disclosed in Note 23.

The total sale consideration for the proposed disposal of the property is RM29,000,000. An initial earnest deposit equivalent to 3% percent of the purchase price amounting to RM870,000 has been paid by the Purchaser to Pixio's authorized agent, Property Hub Sdn Bhd as stakeholder, upon the acceptance of the Purchaser's offer and signing of the agreement. A further deposit equivalent to 7% percent of the purchase price amounting to RM2,030,000 shall be paid by the Purchaser upon signing of the Sale and Purchase Agreement (SPA). The balance 90% of the purchase price of the property i.e. RM26,100,000 shall be paid by the Purchaser to Pixio within 90 days from the date of signing of the SPA.

The excess from the sale proceeds of the proposed disposal over the book value of the Property is approximately RM3,500,000.

F. OTHER INFORMATION

- 1(i) **Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

Share Buy Back

Under the Share Buy Back Mandate (first approved by the Shareholders on 28 September 2018 and last renewed at the Annual General Meeting on 28 April 2023), the Company bought back 3,832,800 ordinary shares during 2H-23. The amount paid, including brokerage fees, totaled \$250,328 and was deducted against shareholders' equity.

Share Capital and Treasury Shares

There were no movements in the Company's issued share capital for the period ended 31 December 2023. The total number of ordinary shares in issue was 907,077,553 of which 35,347,783 was held by the Company as treasury shares as at 31 December 2023. The treasury shares held represents 4.05% of the total number of issued shares (excluding treasury shares). The share capital was \$123,276,197 as at 31 December 2023.

There were no movements in the Company's issued share capital for the period ended 31 December 2022. The total number of ordinary shares in issue was 907,077,553 of which 31,514,983 was held by the Company as treasury shares as at 31 December 2022. The treasury shares held represents 3.60% of the total number of issued shares (excluding treasury shares). The share capital was \$123,276,197 as at 31 December 2022.

Share Award Scheme

On 28 September 2018, the shareholders of the Company approved the share award scheme known as mDR Share Plan 2018. Under the mDR Share Plan 2018, the Company will deliver shares granted under an award by issuing new shares and/or transferring treasury shares free of charge, upon the participant satisfying such conditions as specified by the Committee administering the mDR Share Plan. As at 31 December 2023, no share award had been granted.

F. OTHER INFORMATION (CONT'D)

- 1(ii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Number of ordinary shares	
	31-Dec-23	31-Dec-22
Total number of issued shares	907,077,553	907,077,553
Less: Treasury shares	<u>(35,347,783)</u>	<u>(31,514,983)</u>
Total number of issued shares excluding treasury	<u>871,729,770</u>	<u>875,562,570</u>

- 1(iii) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 1(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

2. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors of the Company.

3. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).**

Not applicable.

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) **Updates on the efforts taken to resolve each outstanding audit issue.**

(b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed**

This is not required for any audit issue that is a material uncertainty relating to the going concern.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2022 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

F. OTHER INFORMATION (CONT'D)

4. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on**

Revenue and Profit after income tax

The Group's revenue of \$122.3 million for 2H-23 and \$215.6 million for YTD-23 increased by 32% (\$29.4 million) and 23% (\$40.1 million) respectively as compared to the corresponding periods in 2022, mainly from DMS and AMS businesses and coupled with higher interest income from Investment segment. Overall, the Group's gross margin remained consistent at 15% in 2H-23 and decreased by 1% from 16% in YTD-22 to 15% in YTD-23.

Revenue from DMS business increased by 33% in 2H-23 from \$75.3 million in 2H-22 to \$100.4 million and YTD-23 revenue increased by 22% from \$142.1 million in YTD-22 to \$173.7 million, mainly due to increased sales activities for handsets distribution. Gross margin for DMS business, however decreased by 1% for both 2H-23 and YTD-23 from 7% to 6% as compared to the previous corresponding periods.

Revenue from AMS business increased by 17% from \$9.4 million in 2H-22 to \$11.0 million in 2H-23 and YTD-23 revenue increased by 25% from \$17.3 million in YTD-22 to \$21.7 million, due to higher repair volumes and an increase in spare parts revenue. Gross margin decreased by 2% from 24% in 2H-22 to 22% in 2H-23 and a 3% decrease in YTD-23 at 22%, mainly resulted from a change in repair mix.

Revenue from Investment segment increased by 54% from \$5.7 million in 2H-22 to \$8.8 million in 2H-23, mainly due to the increase in coupon interest income from investment in debt securities by \$3.0 million and the increase in interest income from loan to third parties by \$0.3 million, partially offset by the decrease in dividend income from investment in equity securities by \$0.2 million. Year on year, revenue from investment segment increased by 38%, from \$11.6 million in YTD-22 to \$16.0 million in YTD-23, contributed mainly from the increase in bond interest income by \$5.6 million, partially offset by the decrease in interest income from loan to third parties by \$0.8 million and the decrease in dividend income from investment in equity securities by \$0.4 million.

Revenue from DPAS business decreased by 12% from \$2.4 million in 2H-22 to \$2.1 million in 2H-23 and 6% from \$4.4 million in YTD-22 to \$4.2 million in YTD-23, mainly due to the lower domestic demand in Malaysia. Gross margin decreased from 37% in 2H-22 to 33% in 2H-23 and from 35% in YTD-22 to 34% in YTD-23, mainly due to higher outsourcing/installation costs recorded under COGS in 2023.

Other operating income decreased by \$0.2 million in 2H-23, mainly due to the reduced gain in disposal of debt securities of \$36,000 (2H-22: \$493,000) and fair value loss on investment property of \$43,000 as compared to fair value gain of \$153,000 in 2H-22. This was partially mitigated by the increase in rental support by \$538,000. Year-on-year, other operating income increased by \$0.9 million in YTD-23, mainly due to the increase in rental support by \$0.6 million and higher consent fee by \$1.0 million but was offset by the decrease in the disposal gains on debt securities by \$350,000 and fair value loss on investment property of \$43,000.

Administrative costs remained relatively consistent compared to the previous corresponding period.

Other operating expenses increased by 23% (\$0.7 million) in 2H-23 and 13% (\$0.6 million) in YTD-23. This was mainly affected by the negative foreign exchange movement by \$0.9 million in 2H-23 and \$1.4 million in YTD-23, partially mitigated by the decrease in depreciation of ROU by \$0.2 million in 2H-23 and \$0.7 million in YTD-23.

Impairment loss on financial assets increased by \$41.7 million and \$57.5 million in 2H-23 and YTD-23 respectively, mainly resulted from the loss allowance on investment in debt securities of \$26.0 million recorded in 2H-23 and \$47.6 million in YTD-23, due to increase in credit risk for certain distressed debt securities. Higher loss allowance for trade receivables by \$4.9 million and \$5.4 million was recorded in 2H-23 and YTD-23 respectively, in relation to coupon interest accrued for certain distressed debt securities.

Finance costs increased by \$0.6 million in 2H-23 and \$1.6 million in YTD-23, mainly due to higher interest rates on bank loans.

F. OTHER INFORMATION (CONT'D)

Revenue and Profit after income tax (Cont'd)

Discontinued operations recorded the loss of \$2.0 million in YTD-22, mainly due to the adjustment on change in control of subsidiaries which pertained to the deconsolidation of certain Myanmar business related dormant subsidiaries, in which the Group de-recognized the carrying amount of the non-controlling interest.

The Group reported net loss of \$25.6 million in 2H-23 compared to net profit of \$12.4 million in 2H-22, mainly due to the loss allowance on investment in debt securities of \$26.0 million. Year-on-year, the Group reported net loss of \$42.5 million in YTD-23 compared to net profit of \$7.2 million in YTD-22, mainly from the loss allowance on investment in debt securities of \$47.6 million and the higher loss allowance for trade receivables by \$5.4 million in YTD-23 but was partially mitigated by the fair value gain on quoted equity investment of \$3.0 million.

Excluding the following non-cash adjustments, the Group registered net loss of \$1.1 million in 2H-23 from its continuing operations. Year on year, the Group's net profit stood at \$2.3 million which is 48% lower than \$4.4 million in YTD-22, from its continuing operations.

\$\$'000	2H-23	2H-22	Inc/(Dec) %	YTD-23	YTD-22	Inc/(Dec) %
(Loss)/Profit for the period from continuing operations	(25,621)	12,420	<i>N.M.</i>	(42,476)	9,184	<i>N.M.</i>
<u>Impairments and fair value movements during the year:</u>						
Allowance for impairment of non-current assets	337	487	(31%)	337	487	(31%)
Loss allowance/(Reversal of loss allowance) on investment in debt securities	26,019	(10,721)	<i>N.M.</i>	47,571	(4,492)	<i>N.M.</i>
Fair value (gain) on quoted equity investment	(1,825)	-	<i>N.M.</i>	(2,981)	-	<i>N.M.</i>
Net fair value (gain) on unquoted equity security, convertible loan and derivative asset	-	(810)	<i>N.M.</i>	(180)	(810)	(78%)
Adjusted (loss)/profit for the period from continuing operations	<u>(1,090)</u>	<u>1,376</u>	<i>N.M.</i>	<u>2,271</u>	<u>4,369</u>	<i>(48%)</i>

F. OTHER INFORMATION (CONT'D)

Balance Sheet Analysis

Current assets

Total current assets increased by \$4.4 million from \$62.6 million as at 31 December 2022 to \$67.0 million as at 31 December 2023, mainly due to increase in cash and bank balances by \$2.1 million and the increase in inventories by \$7.7 million. It was partially offset by the decrease in trade receivables by \$4.2 million mainly due to the repayment of loan and interest of \$2.5 million extended to a third-party company; and investment in debt securities reduced by \$0.4 million.

Non-current assets

Total non-current assets decreased by \$60.9 million from \$171.6 million as at 31 December 2022 to \$110.7 million as at 31 December 2023.

Investment in equity securities decreased by \$19.4 million, mainly arose from disposal of equity securities of fair value of \$18.3 million and the fair value movement of the equity securities in YTD-23. The decrease in convertible loan of \$2.9 million was due to the conversion to quoted equity security during the year.

Investment in debt securities decreased by \$41.0 million, mainly due to the disposal/redemption of the debt securities of \$29.1 million, fair value movement of the debt securities and the reclassification from non-current assets to current assets based on the tenure of the debt securities, offset by the additional investment of \$32.9 million in YTD-23.

Right-of-use assets and other receivables increased by \$3.0 million and \$102,000 respectively in YTD-23.

Current liabilities

Total current liabilities decreased by \$3.3 million from \$77.5 million as at 31 December 2022 to \$74.2 million as at 31 December 2023, mainly due to decrease in bank loans/overdrafts by \$10.6 million. It was partially offset by the increase in trade payables by \$7.5 million.

Non-current liabilities

Total non-current liabilities increased by \$1.4 million from \$4.9 million as at 31 December 2022 to \$6.3 million as at 31 December 2023, mainly due to increase in lease liabilities arose from the renewal of leases by \$2.7 million and deferred tax liability increased by \$0.3 million, partially offset by the decrease in long term bank loan of \$1.3 million.

Negative working capital

Notwithstanding that the Group and Company are in net current liabilities position of \$7.2 million and \$20.8 million respectively as at 31 December 2023, the Board is of the view that the Group and the Company are able to meet their financial obligations in view of the investment in quoted equity securities of \$81.7 million classified under non-current assets which are assets with high liquidity. These investments are classified under non-current assets due to the Company's intention to hold these investments on a long-term basis.

Cash Flows

The Group registered cash and cash equivalents of \$14.9 million as at 31 December 2023, representing an inflow of \$2.1 million since 31 December 2022.

Cashflow from operating activities

Net cash inflow of \$8.7 million in YTD-23 arose mainly from positive operating cash flows before movements in working capital of \$7.1 million, interest income received from loans to third parties and debt securities of \$0.7 million and \$0.4 million respectively, and the inflow from the changes in working capital of \$0.5 million, arose from higher trade payables.

Cashflow from investing activities

Net cash inflow of \$16.3 million in YTD-23 was mainly due to the proceeds from disposal of quoted equity securities and debt securities of \$18.3 million and \$29.1 million respectively and repayment of loan from a third party of \$2.3 million. This was partially offset by the purchase of quoted debt securities of \$32.9 million and the purchase of plant and equipment of \$0.6 million.

F. OTHER INFORMATION (CONT'D)

Cash Flows (Cont'd)

Cashflow from financing activities

Net cash outflow of \$22.9 million in YTD-23 was mainly attributable to the repayment of lease liabilities of \$4.1 million, interest payment of \$3.0 million, payment of dividend of \$4.3 million and the net repayment of bank borrowings \$11.3 million.

5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

6. A commentary at the date of the announcement of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The Group maintains a cautious outlook for FY2024. Global economy is expected to grow at a slower pace in 2024. While an easing of monetary policy is anticipated in the US, there are lingering macroeconomic and geopolitical downside risks that could impede the momentum of global economic recovery.

The Group incurred a net loss for FY2023 mainly due to the non-cash impairment of financial assets for certain debt securities. Notwithstanding the unpredictability of the future, management has marked down approximately 61% of the debt securities by value, to 3.5 cents or lower (relative to par value at 100 cents), a price level that management believes reflects limited further impairment risk. Management is pleased with the pace of restructuring progress with about 68% by value, of debt securities within the portfolio of bonds being restructured and having successfully crossed, *inter alia*, the key milestone of finalizing an agreed restructuring term sheet between issuers and Ad-Hoc Committee groups representing bondholders. While economic, geopolitical, legal, execution and implementation, and other risks pose uncertainties to the restructuring outcomes, given the low cost of acquisition relative to par, diversification of holdings, and the active role management is taking in engaging with the debt securities issuers and advisors, management is cautiously optimistic of the investment performance over the long term.

The DMS division will continue to prioritise operational efficiency and collaborate closely with mobile phone brand principals and operators to drive sales growth. The division's pivot toward the MVNO business, operating under the brand name 'ZYM Mobile', is gradually yielding encouraging growth. ZYM Mobile's subscriber base has grown and with competitive SIM plans on offer, ZYM Mobile is expected to contribute positively to revenue growth.

AMS and DPAS divisions anticipate stable business performance, although they may face margin pressure due to rising costs.

The Group remains prudent in cost management and will actively explore potential business opportunities and investments to strengthen revenue streams and enhance profitability.

7. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

F. OTHER INFORMATION (CONT'D)

(c) Date payable

Not applicable.

8. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the year, mainly due to the loss allowance for impairment on investment in debt securities made in YTD-23 that resulted in losses incurred for the financial year.

9. Interested Person Transactions

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions. During FY2023, the following interested person transactions were entered into by the Group:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
	\$'000	\$'000
Pacific Organisation Pte Ltd - Rental expenses	373	-
Total	373	-

Mr Ong Ghim Choon (Director and Chief Executive Officer of the Company) and his associate own the shares of Pacific Organisation Pte Ltd.

10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, any, during the year
Ong Ghim Chwee	59	Brother of Ong Ghim Choon (Group Executive Director and Chief Executive Officer)	Director (Logistics) of A-Mobile Pte Ltd since January 2006. Responsible for the overall oversight of After- Market Service division since January 2022	No change No change

F. OTHER INFORMATION (CONT'D)

11. Confirmation of Undertakings under Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Mainboard Rules.

BY ORDER OF THE BOARD

Ong Ghim Choon
Chief Executive Officer
28 February 2024

F. OTHER INFORMATION (CONT'D)

Negative Assurance Confirmation under Rule 705(5) of the Listing Manual

We, Mark Leong Kei Wei and Ong Ghim Choon, being two directors of mDR Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render these interim financial results to be false or misleading in any material respect.

On behalf of the Board of Directors

Mark Leong Kei Wei
Chairman of Audit and Risk Committee

Ong Ghim Choon
Chief Executive Officer

Singapore, 28 February 2024