

FY2023 Financial Results

(1 January 2023 – 31 December 2023)



Annual Performance: Key Highlights

28 February 2024

Financial Results: YoY Financial Performance

(\$'000)	FY 2023	FY 2022
<u>Continuing Operations</u>		
Revenue	215,603	175,480
Gross Profit	32,558	27,521
(Loss)/Profit before income tax	(41,978)	9,264
(Loss)/Profit for the year from continuing operations	(42,476)	9,184
(Loss)/Profit for the year from discontinued operations	-	(1,959)
(Loss)/Profit for the year	(42,476)	7,225
Profit for the year from continuing operations (excluding impairments)	2,271	4,369

Financial Results: Half Yearly Financial Performance

(\$'000)	1H – 2023	1H – 2022	2H – 2023	2H – 2022
<u>Continuing Operations</u>				
Revenue	93,321	82,624	122,282	92,856
Gross Profit	14,785	13,493	17,773	14,028
(Loss)/Profit before income tax	(16,733)	(3,129)	(25,245)	12,393
(Loss)/Profit for the period from continuing operations	(16,855)	(3,236)	(25,621)	12,420

Financial Results: Half Yearly Financial Performance (cont'd)

(\$'000)	1H– 2023	1H– 2022	2H – 2023	2H – 2022
(Loss)/Profit for the period from continuing operations (cont'd)	(16,855)	(3,236)	(25,621)	12,420
(Loss)/Profit for the period from discontinued operations	-	(1,959)	-	-
(Loss)/Profit for the period	(16,855)	(5,195)	(25,621)	12,420
Profit/(Loss) for the year from continuing operations (excluding impairments)	3,361	2,993	(1,090)	1,376

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



(\$'000)	FY 2023	FY 2022
DMS	173,678	142,111
AMS	21,728	17,329
DPAS	4,161	4,419
INVESTMENT	16,036	11,621
Total	215,603	175,480

Financial Results: Half Yearly Segmental Breakdown of Revenue (Continuing Operations)

(\$'000)	1H– 2023	1H– 2022	2H – 2023	2H – 2022
DMS	73,304	66,777	100,374	75,334
AMS	10,712	7,923	11,016	9,406
DPAS	2,080	2,043	2,081	2,376
INVESTMENT	7,225	5,881	8,811	5,740
Total	93,321	82,624	122,282	92,856

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

(\$'000)	FY 2023	FY 2022
DMS	10,287	9,985
AMS	4,803	4,351
DPAS	1,432	1,564
INVESTMENT	16,036	11,621
Total	32,558	27,521



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

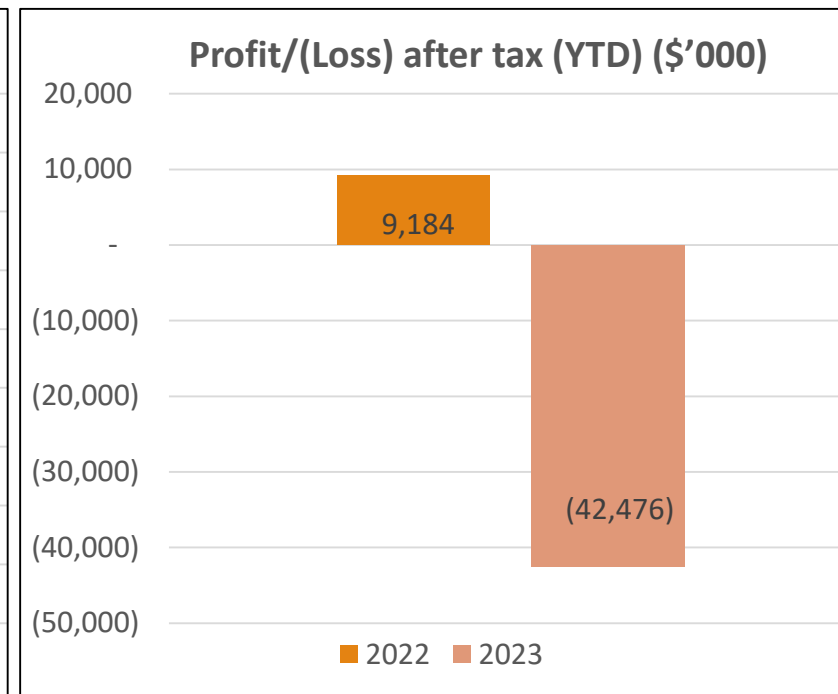
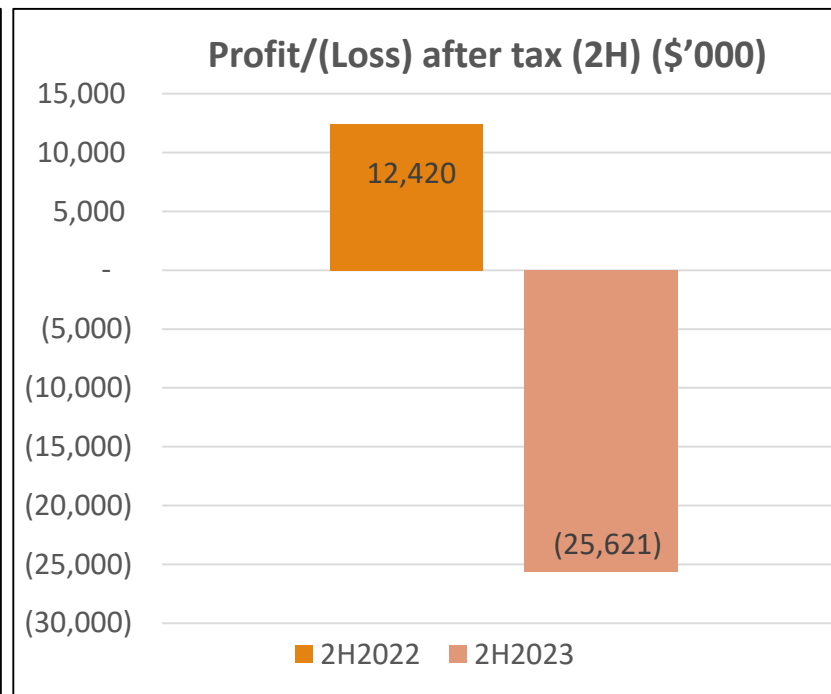
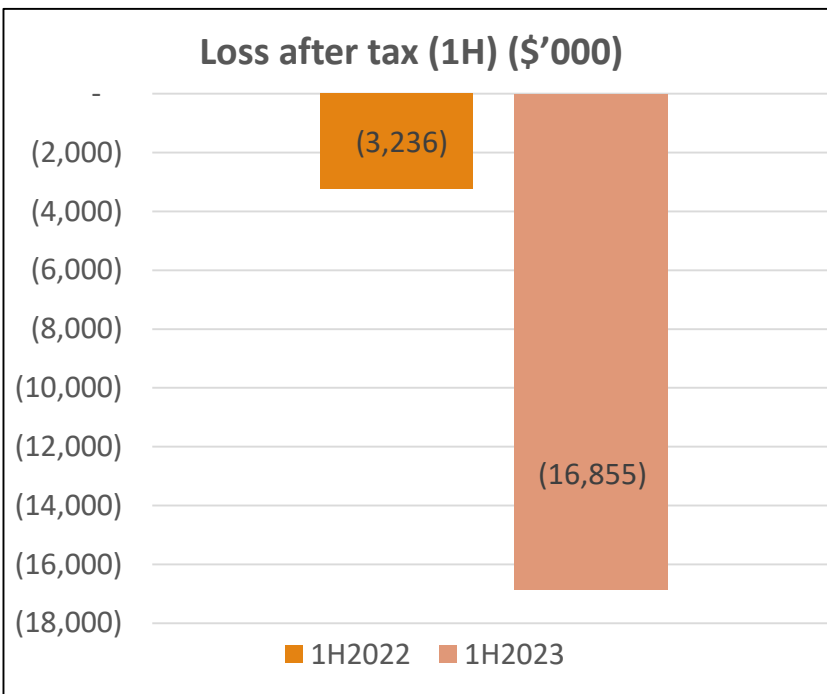
(\$'000)	1H – 2023	1H – 2022	2H – 2023	2H – 2022
DMS	4,469	4,826	5,818	5,159
AMS	2,346	2,100	2,457	2,251
DPAS	745	686	687	878
INVESTMENT	7,225	5,881	8,811	5,740
Total	14,785	13,493	17,773	14,028

Financial Results: Non-cash adjustments (Impairments and fair value movements)

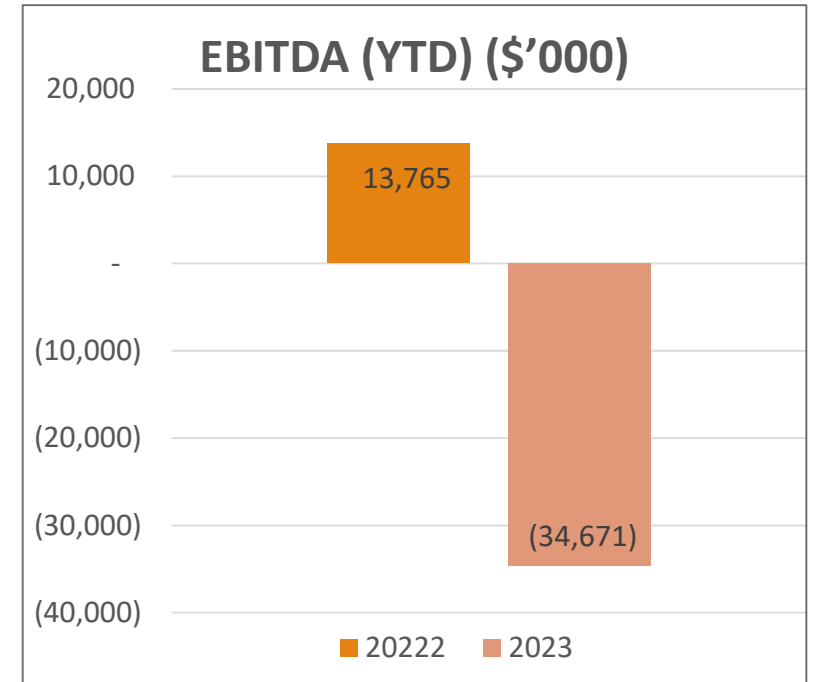
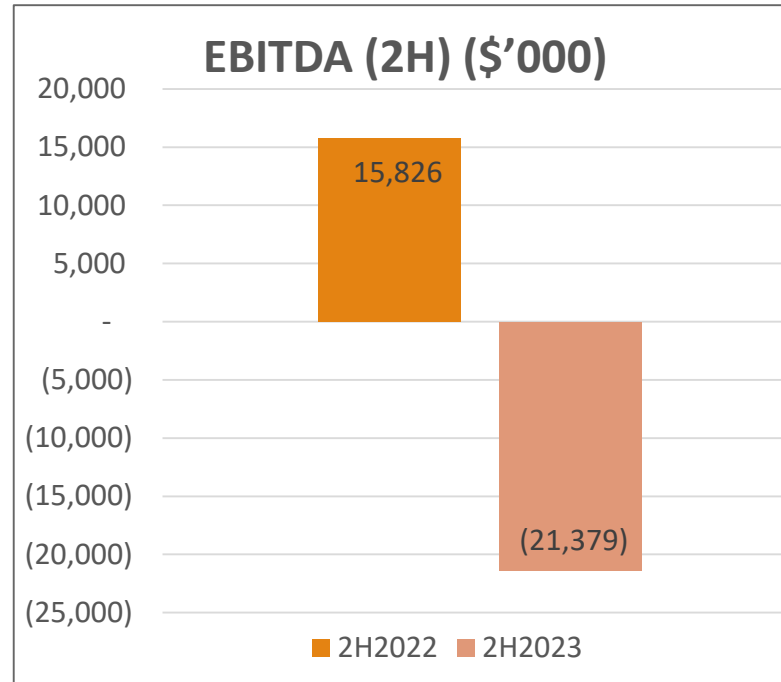
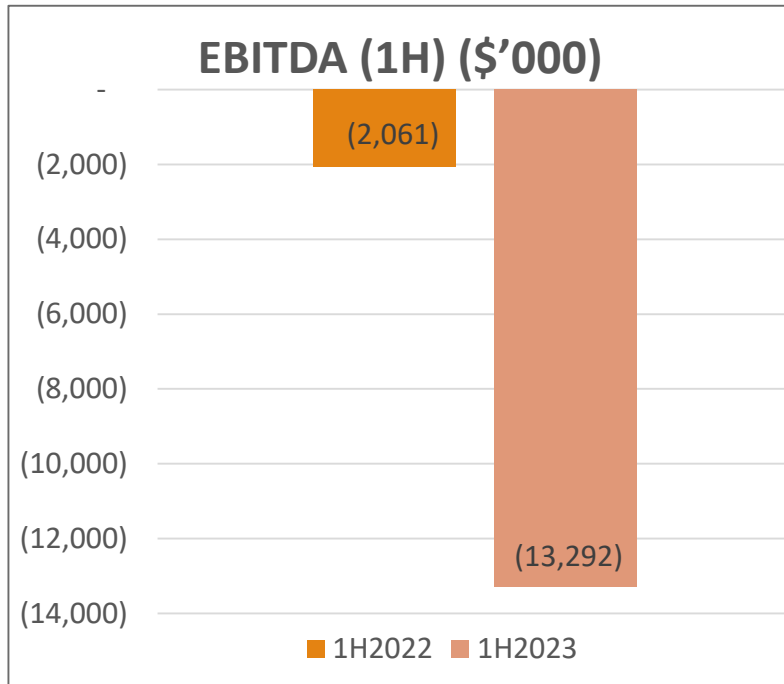
(\$'000)	FY 2023	FY 2022
<u>Continuing Operations</u>		
(Loss)/Profit for the year	(42,476)	9,184
<u>Non-cash adjustments:</u>		
Impairment of non-current assets	337	487
Loss allowance/(Reversal of loss allowance) on investment in debt securities	47,571	(4,492)
Fair value gain on unquoted equity security	-	(109)
Fair value gain on convertible loan	(244)	(881)
Fair value loss on derivative asset	64	180
Fair value gain on quoted equity security	(2,981)	-
Total	44,747	(4,815)
Profit for the year from continuing operations (excluding non-cash adjustments)	2,271	4,369



2023 Financial Highlights: Profit/(Loss) after Tax (Continuing Operations)

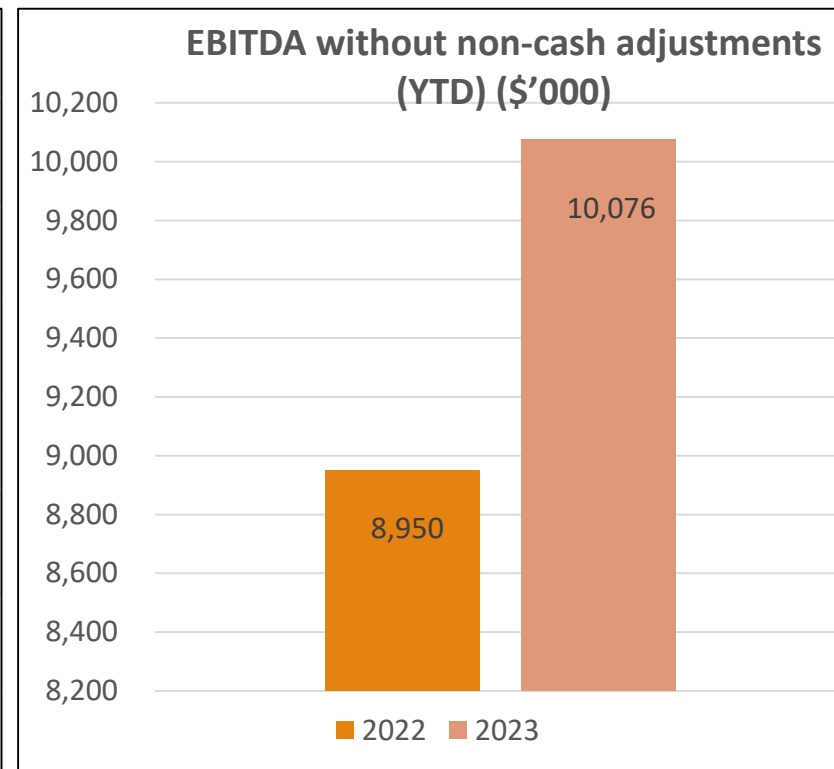
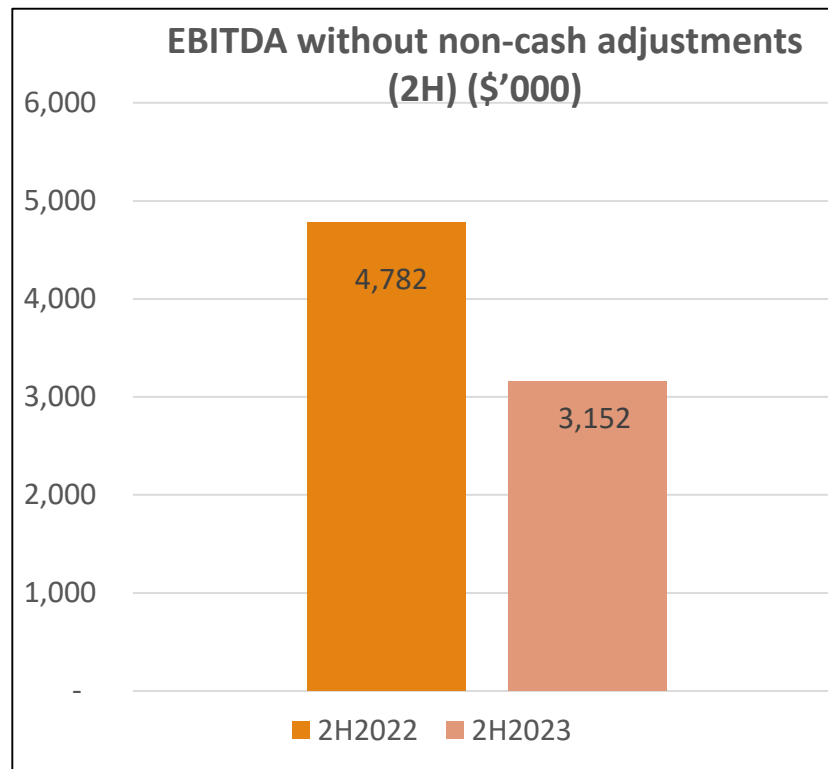
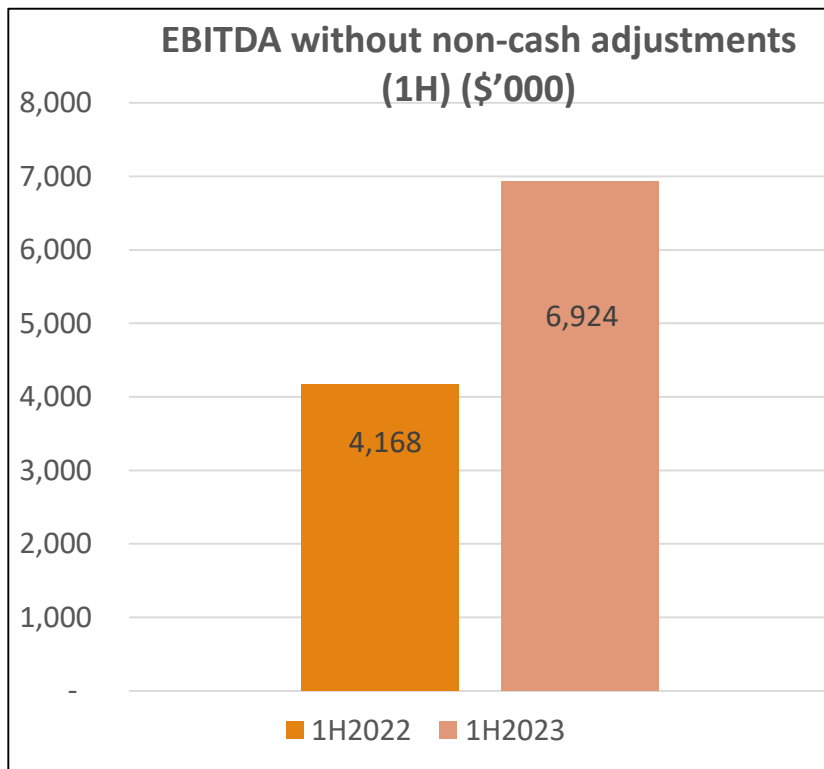


2023 Financial Highlights: EBITDA





2023 Financial Highlights: EBITDA without non-cash adjustments



Investments: Performance Overview

(\$'000)	FY 2023	FY 2022	FY 2021
Investment performance (including dividends from equity investment and accrued interest income from bond investment)	(56,311)*	3,348	23,460
(\$'000)	1H-2023	2H-2023	Total
Investment performance (including dividends from equity investment and accrued interest income from bond investment)	(29,699)	(26,612)	(56,311)*

*Derived from equity investments (including dividends) which recorded losses of \$2,960,000 and bond investments (including accrued interest income) of loss of \$53,351,000

Investments: Performance Overview (cont'd)

(\$'000)	1H-2023	2H-2023	Total
Equity Investment			
Addition (Purchase cost)	89	1	90
Disposal (Net sales proceeds)	(11,682)	(6,621)	(18,303)

(\$'000)	1H-2023	2H-2023	Total
Bond investment			
Addition (Purchase cost)	32,563	296	32,859
Disposal (Net sales proceeds)	(28,553)	(36)	(28,589)
Redemption (Nominal amount)	(560)	-	(560)

Investments: Performance Overview (cont'd)

Portfolio % (Based on investment cost)	31 December 2023	31 December 2022
Equity	53%	58%
Bonds	47%	42%
Total	100%	100%

Investments in Equity Securities

As at 31 December 2023, the Group invested in investment 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 investment securities as at 31 December 2023:

By Market Capitalization	%
\$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%

Weighted portfolio Information (based on simple weighted average calculation)	
Market Capitalization	\$23.67 billion
Dividend Yield	4.59%
5-year Beta	0.695
P/B	0.4x
EV/EBITDA	5.23x
Debt/EBITDA	3.99x

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%

Investments in Debt Securities

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	100.0%

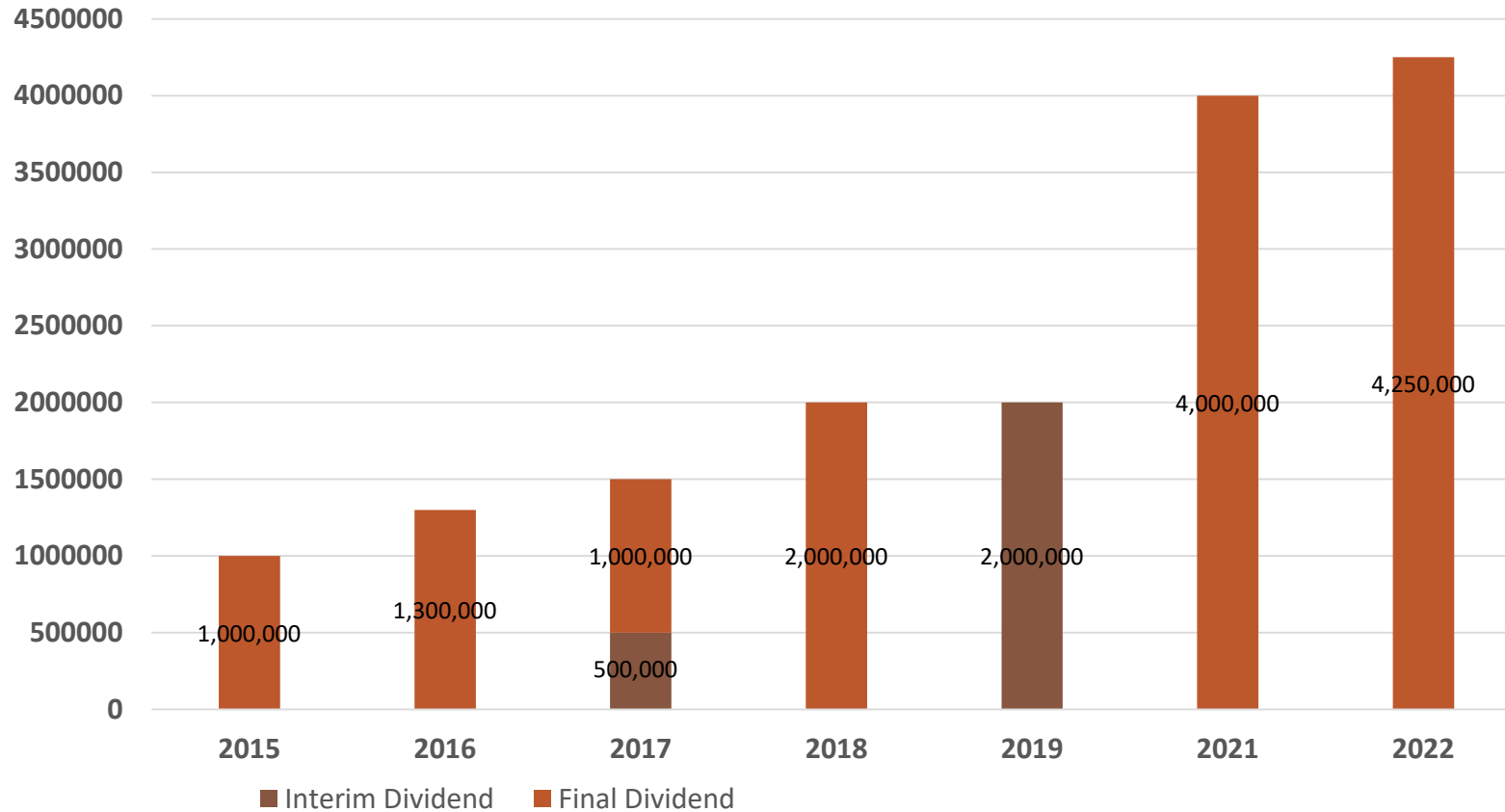
Below is the key information of the bonds as at 31 December 2023:

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%

Dividend



- **FY2023:** No dividend could be declared for FY2023 mainly due to the allowance for impairments made in FY2023 that resulted in losses incurred for the financial year

- Group committed to achieving better performance in FY2024.
- 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.
- DMS division will continue to prioritise operational efficiency and collaborate closely with mobile phone brand principals and operators to drive sales growth.

Thank You



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Disclaimer

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

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

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