



MDR Limited
(Company Registration No: 200009059G)

**UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED 30 JUNE 2024

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

	Notes	Group		Inc/(Dec) %
		6 months ended 30 June 2024	6 months ended 30 June 2023	
		S\$'000	S\$'000	
Revenue	6	121,167	93,321	30%
Cost of sales	6	(101,100)	(78,536)	29%
Gross profit	6	20,067	14,785	36%
Other operating income	7	6,160	3,016	104%
Administrative expenses		(8,849)	(8,567)	3%
Other operating expenses	8	(2,235)	(2,040)	10%
Finance costs	9	(1,291)	(1,461)	(12%)
Total expenses		(12,375)	(12,068)	3%
Operating profit before impairment expense, share of profit of associate and income tax		13,852	5,733	142%
Loss allowance on investment in debt securities	8	(8,433)	(21,552)	(61%)
Loss allowance for trade receivables	8	(2,612)	(2,249)	16%
Reversal of loss allowance for non trade receivables	8	240	-	N.M.
Fair value loss on derivative assets	8	-	(64)	N.M.
Fair value gain on convertible loan	8	-	244	N.M.
Fair value (loss)/gain on quoted equity investment	8	(2,831)	1,156	N.M.
Operating profit/(loss) before share of profit of associate and income tax		216	(16,732)	N.M.
Share of loss of associate		-	(1)	N.M.
Profit/(loss) before income tax		216	(16,733)	N.M.
Income tax expense	10	(67)	(122)	(45%)
Profit/(loss) for the period		149	(16,855)	N.M.

N.M: Not Meaningful

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

	Notes	Group		Inc/(Dec) %
		6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000	
Other comprehensive income/(loss)				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Net fair value changes in equity securities carried at fair value through other comprehensive income/(loss)		668	(2,949)	N.M.
		<u>668</u>	<u>(2,949)</u>	N.M.
<i>Items that may be reclassified subsequently to profit or loss</i>				
Currency translation differences arising on consolidation		20	(310)	N.M.
Other comprehensive income/(loss) for the period, net of tax		<u>688</u>	<u>(3,259)</u>	N.M.
Total comprehensive income/(loss) for the period		<u><u>837</u></u>	<u><u>(20,114)</u></u>	N.M.
Profit/(loss) attributable to:				
Owners of the Company		143	(16,854)	N.M.
Non-controlling interests		6	(1)	N.M.
		<u>149</u>	<u>(16,855)</u>	N.M.
Total comprehensive income/(loss) attributable to:				
Owners of the Company		831	(20,113)	N.M.
Non-controlling interests		6	(1)	N.M.
		<u>837</u>	<u>(20,114)</u>	N.M.
Earnings per share (cents):				
	11			
- Basic		0.016	(1.925)	
- Diluted		<u>0.016</u>	<u>(1.925)</u>	

N.M. : Not Meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000
ASSETS					
Current assets					
Cash and bank balances		10,957	14,906	1,242	2,936
Trade receivables	15	10,211	11,783	1,753	2,039
Other receivables and prepayments	16	2,051	1,642	8,807	9,800
Inventories	17	17,868	25,892	625	971
Investment in debt securities	22	7,207	12,654	7,207	12,654
Income tax recoverable		182	110	-	-
		<u>48,476</u>	<u>66,987</u>	<u>19,634</u>	<u>28,400</u>
Asset classified as held for sale	18	7,344	-	-	-
Total current assets		<u>55,820</u>	<u>66,987</u>	<u>19,634</u>	<u>28,400</u>
Non-current assets					
Other receivables and prepayments	16	2,374	969	233	177
Investment in subsidiaries		-	-	3,328	3,328
Investment in an associate		28	29	-	-
Investment in equity securities	21	82,351	81,678	82,351	81,678
Investment in debt securities	22	16,889	11,669	16,889	11,669
Property, plant and equipment	19	1,488	1,515	401	527
Right-of-use assets	20	6,489	7,511	880	1,044
Investment property	23	-	7,321	-	-
Total non-current assets		<u>109,619</u>	<u>110,692</u>	<u>104,082</u>	<u>98,423</u>
Total assets		<u>165,439</u>	<u>177,679</u>	<u>123,716</u>	<u>126,823</u>
Current liabilities					
Bank overdrafts and loans	24	40,732	47,859	40,732	41,970
Trade payables		6,675	14,185	1,050	1,435
Other payables		9,596	8,541	4,117	5,123
Lease liabilities		3,755	3,621	783	684
Lease liabilities from financial institutions		-	18	-	18
		<u>60,758</u>	<u>74,224</u>	<u>46,682</u>	<u>49,230</u>
Liability directly associated with asset classified as held for sale	18	2,256	-	-	-
Total current liabilities		<u>63,014</u>	<u>74,224</u>	<u>46,682</u>	<u>49,230</u>
Non-current liabilities					
Bank loans	24	438	1,086	438	1,086
Other payables		92	69	10	-
Lease liabilities		3,310	4,498	162	425
Deferred tax liabilities		702	701	270	270
Total non-current liabilities		<u>4,542</u>	<u>6,354</u>	<u>880</u>	<u>1,781</u>

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
		S\$'000	S\$'000	S\$'000	S\$'000
Capital, reserves and non-controlling interests					
Share capital	25	123,276	123,276	123,276	123,276
Treasury shares	26	(3,141)	(3,086)	(3,141)	(3,086)
Other reserves		(16,617)	(16,983)	(16,634)	(16,980)
Accumulated losses		(6,118)	(6,583)	(27,347)	(27,398)
Equity attributable to owners of the Company					
		97,400	96,624	76,154	75,812
Non-controlling interests		483	477	-	-
Total equity		<u>97,883</u>	<u>97,101</u>	<u>76,154</u>	<u>75,812</u>
Total liabilities and equity		<u>165,439</u>	<u>177,679</u>	<u>123,716</u>	<u>126,823</u>

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Share capital S\$'000	Treasury shares S\$'000	Capital reserve S\$'000	Premium on acquisition of non-controlling interests S\$'000	Investment revaluation reserve S\$'000	Property revaluation reserve S\$'000	Currency translation reserve S\$'000	(Accumulated losses)/ Retained earnings S\$'000	Attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance as at 1 January 2024	123,276	(3,086)	22	(881)	(17,013)	1,696	(807)	(6,583)	96,624	477	97,101
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	143	143	6	149
Gain on disposal of investment securities transferred between reserves	-	-	-	-	(322)	-	-	322	-	-	-
Other comprehensive income for the period	-	-	-	-	668	-	20	-	688	-	688
Total	-	-	-	-	346	-	20	465	831	6	837
Transactions with owners, recognised directly in equity											
Repurchase of shares	-	(55)	-	-	-	-	-	-	(55)	-	(55)
Total	-	(55)	-	-	-	-	-	-	(55)	-	(55)
Balance as at 30 June 2024	<u>123,276</u>	<u>(3,141)</u>	<u>22</u>	<u>(881)</u>	<u>(16,667)</u>	<u>1,696</u>	<u>(787)</u>	<u>(6,118)</u>	<u>97,400</u>	<u>483</u>	<u>97,883</u>
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 period											
(Loss) for the period	-	-	-	-	-	-	-	(16,854)	(16,854)	(1)	(16,855)
Gain on disposal of investment securities transferred between reserves	-	-	-	-	(1,549)	-	-	1,549	-	-	-
Other comprehensive loss for the period	-	-	-	-	(2,949)	-	(310)	-	(3,259)	-	(3,259)
Total	-	-	-	-	(4,498)	-	(310)	(15,305)	(20,113)	(1)	(20,114)
Transactions with owners, recognised directly in equity											
Dividends	-	-	-	-	-	-	-	(4,250)	(4,250)	-	(4,250)
Total	-	-	-	-	-	-	-	(4,250)	(4,250)	-	(4,250)
Balance as at 30 June 2023	<u>123,276</u>	<u>(2,836)</u>	<u>22</u>	<u>(881)</u>	<u>(11,849)</u>	<u>1,696</u>	<u>(713)</u>	<u>18,153</u>	<u>126,868</u>	<u>486</u>	<u>127,354</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 S\$'000	Total S\$'000
Balance as at 1 January 2024	123,276	(3,086)	33	(17,013)	(27,398)	75,812
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(271)	(271)
Gain on disposal of investment securities transferred between reserves	-	-	-	(322)	322	-
Other comprehensive income for the period	-	-	-	668	-	668
Total	-	-	-	346	51	397
Transactions with owners, recognised directly in equity						
Repurchase of shares	-	(55)	-	-	-	(55)
Total	-	(55)	-	-	-	(55)
Balance as at 30 June 2024	<u>123,276</u>	<u>(3,141)</u>	<u>33</u>	<u>(16,667)</u>	<u>(27,347)</u>	<u>76,154</u>
Balance as at 1 January 2023	123,276	(2,836)	33	(7,351)	17,190	130,312
Total comprehensive loss for the period						
Loss for the period	-	-	-	-	(17,199)	(17,199)
Gain on disposal of investment securities transferred between reserves	-	-	-	(1,549)	1,549	-
Other comprehensive loss for the period	-	-	-	(2,949)	-	(2,949)
Total	-	-	-	(4,498)	(15,650)	(20,148)
Transactions with owners, recognised directly in equity						
Dividend	-	-	-	-	(4,250)	(4,250)
Total	-	-	-	-	(4,250)	(4,250)
Balance as at 30 June 2023	<u>123,276</u>	<u>(2,836)</u>	<u>33</u>	<u>(11,849)</u>	<u>(2,710)</u>	<u>105,914</u>

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30 June 2024 S\$'000	6 months ended 30 June 2023 S\$'000
Operating activities		
Profit/(loss) before income tax	216	(16,733)
Adjustments for:		
Depreciation of plant and equipment (Note A)	314	324
Depreciation of right-of-use assets (Note A)	1,864	1,656
Interest expenses	1,291	1,461
Interest income from fixed deposits	(9)	(9)
Interest income from lease receivables	(38)	(18)
Interest income from loans to third parties	(63)	(253)
Interest income from investment in debt securities	(9,652)	(4,623)
Gain on disposal of plant and equipment	(8)	(20)
Gain on disposal of investment in debt securities	-	(115)
Plant and equipment written off	1	1
Reversal of allowance for other provisions	-	(8)
Loss allowance on investment in debt securities	8,433	21,552
Allowance for inventories	105	122
Loss allowance for trade receivables	2,612	2,249
Reversal of loss allowance for non trade receivables	(240)	-
Share of loss of an associate	-	1
Fair value loss on derivative assets	-	64
Fair value gain on convertible loan	-	(244)
Fair value loss/(gain) on quoted equity investment	2,831	(1,156)
Net foreign exchange gain	(313)	(346)
Operating cash flows before movements in working capital	7,344	3,905
Trade receivables	1,565	(2,428)
Other receivables and prepayments	(1,777)	329
Inventories	7,919	(1,343)
Trade payables	(7,510)	1,541
Other payables	1,072	718
Cash generated from operations	8,613	2,722
Income tax paid	(138)	(117)
Interest received	47	27
Interest received from debt securities	10	434
Interest received from loans to third parties	-	40
Net cash from operating activities	8,532	3,106
Investing activities		
Proceeds from disposal of plant and equipment	25	61
Purchase of plant and equipment (Note B)	(304)	(283)
Proceeds from disposal of quoted equity securities	6,558	11,682
Purchase of quoted equity securities	(9,050)	(89)
Proceeds from disposal/redemption of quoted debt securities	-	29,113
Purchase of quoted debt securities	-	(32,563)
Repayment of loan from a third party	-	-
Net cash (used in) /from investing activities	(2,771)	7,921

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

	6 months ended 30 June 2024	6 months ended 30 June 2023
	S\$'000	S\$'000
Financing activities		
Purchase of treasury shares	(55)	-
Interest paid	(1,299)	(1,465)
Dividend paid	-	(4,250)
Repayment of lease liabilities	(1,897)	(2,211)
Repayment of lease liabilities from financial institutions	(18)	(38)
Repayment of bank borrowings	(19,209)	(27,926)
Proceeds from bank borrowings	12,769	22,017
Net cash used in financing activities	<u>(9,709)</u>	<u>(13,873)</u>
Net decrease in cash and cash equivalents	(3,948)	(2,846)
Cash and cash equivalents at beginning of period	14,906	12,768
Effects of exchange rate changes on the balance of cash held in foreign currencies	(1)	3
Cash and cash equivalents at end of period	<u>10,957</u>	<u>9,925</u>

Note

A. Depreciation expense:

Included in depreciation expense of \$2,178,000 (six months ended 30 June 2023: \$1,980,000) in the statement of cash flows is \$2,095,000 (six months ended 30 June 2023: \$1,883,000) which is classified in other operating expenses (Note 8) with the remaining classified in cost of sales.

B. Purchase of property, plant and equipment:

During the six months ended 30 June 2024, the Group acquired plant and equipment with an aggregate cost of \$304,000 (six months ended 30 June 2023: \$283,000) of which \$Nil (six months ended 30 June 2023: \$Nil) was acquired under finance lease arrangements.

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 30 June 2024 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 30 June 2024 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 2023.

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 2023.

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 30 June 2024 is disclosed in Note 17 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 30 June 2024 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 fair value through other comprehensive income. The impairment allowance for debt securities is 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 30 June 2024 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 January 2024 to 30 June 2024

\$'000	AMS	DMS	DPAS	Investment	Unallocated	Total
Segment revenue						
External	9,036	98,488	1,934	11,709	-	121,167
Inter-segment	-	-	-	-	-	-
	<u>9,036</u>	<u>98,488</u>	<u>1,934</u>	<u>11,709</u>	<u>-</u>	<u>121,167</u>
Segment result	49	241	297	(6)	(595)	(14)
Net foreign exchange gain						222
Gain on disposal of plant and equipment						8
Profit before income tax & share of associate results						<u>216</u>
Share of profit of associate						-
Profit before income tax						<u>216</u>
Income tax expense						<u>(67)</u>
Net profit for the period						<u>149</u>
Segment assets	<u>5,164</u>	<u>42,840</u>	<u>10,978</u>	<u>106,457</u>	<u>-</u>	<u>165,439</u>
Segment liabilities	<u>(3,193)</u>	<u>(16,576)</u>	<u>(3,469)</u>	<u>(44,048)</u>	<u>(270)</u>	<u>(67,556)</u>
Other segment information						
Capital expenditure – property, plant and equipment	6	219	79	-	-	304
Capital expenditure – right-of-use assets	208	404	229	-	-	841
Depreciation – property, plant and equipment	132	143	39	-	-	314
Depreciation – right-of-use assets	372	1,439	53	-	-	1,864
Plant and equipment written off	-	1	-	-	-	1
Interest income (recorded under revenue)	-	-	-	(9,652)	-	(9,652)
Interest income (recorded under other operating income)	-	(38)	(8)	(1)	-	(47)
Interest expenses	28	189	63	1,011	-	1,291
Allowance for inventories	20	85	-	-	-	105
Allowance for trade receivables	-	54	7	2,551	-	2,612
Reversal of allowance for non-trade receivables	-	-	-	(240)	-	(240)
Loss allowance on investment in debt securities	-	-	-	8,433	-	8,433
Fair value loss on quoted equity investment	-	-	-	2,831	-	2,831

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

4 SEGMENT AND REVENUE INFORMATION (CONT'D)

1 January 2023 to 30 June 2023

\$'000	AMS	DMS	DPAS	Investment	Unallocated	Total
Segment revenue						
External	10,712	73,304	2,080	7,225	-	93,321
Inter-segment	-	-	-	-	-	-
	<u>10,712</u>	<u>73,304</u>	<u>2,080</u>	<u>7,225</u>	<u>-</u>	<u>93,321</u>
Segment result	247	(56)	527	(17,318)	(450)	(17,050)
Net foreign exchange gain						298
Gain on disposal of plant and equipment						20
Loss before income tax & share of associate results						<u>(16,732)</u>
Share of loss of associate						(1)
Loss before income tax						<u>(16,733)</u>
Income tax expense						(122)
Net loss for the period						<u>(16,855)</u>
Segment assets	<u>6,571</u>	<u>41,424</u>	<u>10,852</u>	<u>145,561</u>	<u>-</u>	<u>204,408</u>
Segment liabilities	<u>(3,236)</u>	<u>(13,928)</u>	<u>(3,762)</u>	<u>(56,128)</u>	<u>-</u>	<u>(77,054)</u>
Other segment information						
Capital expenditure – property, plant and equipment	21	230	32	-	-	283
Capital expenditure – right-of-use assets	-	334	-	-	-	334
Depreciation – property, plant and equipment	135	138	51	-	-	324
Depreciation – right-of-use assets	345	1,250	61	-	-	1,656
Plant and equipment written off	-	1	-	-	-	1
Interest income (recorded under revenue)	-	-	-	(4,876)	-	(4,876)
Interest income (recorded under other operating income)	-	(18)	(7)	(2)	-	(27)
Interest expenses	10	114	65	1,272	-	1,461
Gain on disposal of investment in debt securities	-	-	-	(115)	-	(115)
Allowance for inventories	28	94	-	-	-	122
(Reversal of allowance) for other provisions	-	(8)	-	-	-	(8)
(Reversal of)/Allowance for trade receivables	-	-	(7)	2,256	-	2,249
Loss allowance on investment in debt securities	-	-	-	21,552	-	21,552
Fair value loss on derivative assets	-	-	-	64	-	64
Fair value gain on convertible loan	-	-	-	(244)	-	(244)
Fair value gain on quoted equity investment	-	-	-	(1,156)	-	(1,156)

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	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	\$'000	\$'000
Singapore	119,233	91,241
Malaysia	1,934	2,080
	<u>121,167</u>	<u>93,321</u>

	Non-current assets	
	30 June 2024	31 December 2023
	\$'000	\$'000
Singapore	109,143	103,137
Malaysia	476	7,555
	<u>109,619</u>	<u>110,692</u>

5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial instruments, designated as at FVTOCI	104,335	101,162	104,335	101,162
Financial instruments designated as at FVTPL	2,112	4,839	2,112	4,839
Amortised cost (including cash and cash equivalents)	25,422	28,886	12,000	14,881
	<u>131,869</u>	<u>134,887</u>	<u>118,447</u>	<u>120,882</u>
Financial liabilities				
Amortised cost	54,037	69,636	46,147	49,452
Lease liabilities	7,065	8,137	945	1,127
	<u>61,102</u>	<u>77,773</u>	<u>47,092</u>	<u>50,579</u>

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 30 June 2024	6 months ended 30 June 2023
	S\$'000	S\$'000
Revenue		
AMS	9,036	10,712
DMS	98,488	73,304
DPAS	1,934	2,080
Investment	11,709	7,225
	<u>121,167</u>	<u>93,321</u>
Cost of Goods Sold and Spare Parts		
AMS	(6,745)	(8,366)
DMS	(93,015)	(68,835)
DPAS	(1,340)	(1,335)
Investment	-	-
	<u>(101,100)</u>	<u>(78,536)</u>
Gross Profit		
AMS	2,291	2,346
DMS	5,473	4,469
DPAS	594	745
Investment	11,709	7,225
	<u>20,067</u>	<u>14,785</u>
GP%		
AMS	25%	22%
DMS	6%	6%
DPAS	31%	36%
Investment	100%	100%
	<u>17%</u>	<u>16%</u>

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

7 OTHER OPERATING INCOME

	6 months ended 30 June 2024	6 months ended 30 June 2023
	S\$'000	S\$'000
<u>Interest income:</u>		
Fixed deposits	9	9
Lease interest income	38	18
Rental income	124	207
<u>Government grants:</u>		
Wage credit	151	113
Rental support	1,039	1,024
Consent fee	1,341	1,190
Work fee	3,212	-
Gain on disposal of plant and equipment	8	20
Foreign currency exchange gain	222	298
Others	16	22
	<u>6,160</u>	<u>2,901</u>
Gain arising from derecognition of financial assets:		
Gain on disposal of investment in debt securities	-	115
	<u>-</u>	<u>115</u>
	<u>6,160</u>	<u>3,016</u>

Rental income pertains to the rental contribution from DPAS division with the premises leased to third parties 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 payments made by issuers of certain distressed debt securities as part of their restructuring of the debt securities.

The work fee in 1H-24 relates to the payment made by the issuer of certain distressed debt securities, for the negotiation work undertaken by the Company during the restructuring process.

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

8 OTHER OPERATING EXPENSES

	6 months ended 30 June 2024	6 months ended 30 June 2023
	S\$'000	S\$'000
Rental expenses	34	42
Depreciation expenses - plant and equipment	284	288
Depreciation expenses - right-of-use assets	1,811	1,595
Plant and equipment written off	1	1
Allowance for inventories	105	122
(Reversal of allowance) for other provisions	-	(8)
	<u>2,235</u>	<u>2,040</u>
Impairment loss on financial assets:		
Loss allowance for trade receivables	2,612	2,249
Reversal of allowance for non-trade receivables	(240)	-
Loss allowance on investment in debt securities	8,433	21,552
	<u>10,805</u>	<u>23,801</u>
Fair value movement on financial assets:		
Fair value loss on derivative assets	-	64
Fair value gain on convertible loan	-	(244)
Fair value loss/(gain) on quoted equity investment	2,831	(1,156)
	<u>2,831</u>	<u>(1,336)</u>
	<u>15,871</u>	<u>24,505</u>

Higher loss allowance for trade receivables in 1H-24 was in relation to coupon interest accrued for certain distressed debt securities.

Loss allowance on investment in debt securities in 1H-24 was recorded in view of the significant increase in credit risk of certain distressed debt securities and was derived based on the difference between expected recovery and carrying value of the debt securities.

9 FINANCE COSTS

	6 months ended 30 June 2024	6 months ended 30 June 2023
	S\$'000	S\$'000
Interest expense on bank loans	1,095	1,341
Interest expense on lease liabilities	196	118
Interest expense on lease liabilities from financial institutions	-	2
	<u>1,291</u>	<u>1,461</u>

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

10 INCOME TAX EXPENSE

The Group calculates the period income tax expense 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 30 June 2024	6 months ended 30 June 2023
	S\$'000	S\$'000
Current tax	67	122
Overprovision in respect of prior years:		
- current tax	-	-
Tax expense	<u>67</u>	<u>122</u>

11 EARNINGS PER SHARE

	6 months ended 30 June 2024	6 months ended 30 June 2023
	Cents	Cents
Basic	0.016	(1.925)
Fully diluted	<u>0.016</u>	<u>(1.925)</u>

Basic earnings per ordinary share is computed based on the weighted average number of shares in issue of 871,163,360 during the period (six months ended 30 June 2023: 875,562,570).

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 871,163,360 (six months ended 30 June 2023: 875,562,570).

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

12 NET ASSET VALUE

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	Cents	Cents	Cents	Cents
Net Asset Value ("NAV") per share	11.19	11.08	8.75	8.70

The NAV per share as at 30 June 2024 is calculated based on 870,702,770 (excluding 36,374,783 ordinary shares held as treasury shares) (31 December 2023: 871,729,770 ordinary shares, excluding 35,347,783 ordinary shares held as treasury shares).

13 DIVIDENDS

No interim dividend has been proposed for the periods ended 30 June 2024 and 30 June 2023.

14 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:

<u>Nature of transactions</u>	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	S\$'000	S\$'000
<i>Transactions with companies owned by common Directors:</i>		
Rental payments	202	171
<i>Transactions with the associate</i>		
Revenue from printing jobs	(7)	-

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)

15 TRADE RECEIVABLES

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Third parties	7,719	8,563	1,686	1,941
Accrued income	2,737	3,334	68	100
Accrued interest receivables from debt securities	11,247	11,306	11,247	11,306
Loan receivables from third parties	874	811	874	811
Others	-	121	-	-
Related parties	147	147	-	-
	22,724	24,282	13,875	14,158
Less: Loss allowance for trade receivables	(12,513)	(12,499)	(12,122)	(12,119)
	10,211	11,783	1,753	2,039

The average credit period on sales is 30 days (2023: 30 days). No interest is charged on outstanding trade receivables.

Loss allowance for trade receivables of \$2,612,000 (six months ended 30 June 2023: \$2,249,000) has been determined for the six months ended 30 June 2024, mainly in relation to the interest receivables pertaining to investment in debt securities, arising from significant increase in credit risk of certain distressed bonds.

16 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Deposits	1,039	1,168	234	238
Prepayments	171	293	35	71
Third parties	3,215	1,382	3	260
	4,425	2,843	272	569
Subsidiaries	-	-	9,815	10,687
	4,425	2,843	10,087	11,256
Less: Loss allowance for other receivables				
- subsidiaries	-	-	(1,047)	(1,047)
- others	-	(232)	-	(232)
	-	(232)	(1,047)	(1,279)
	4,425	2,611	9,040	9,977
Analysed as:				
Current	2,051	1,642	8,807	9,800
Non-current	2,374	969	233	177
	4,425	2,611	9,040	9,977

Receivables from third parties of \$3.2 million as at 30 June 2024 comprised mainly of lease receivables of \$2.6 million.

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

16 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.

17 INVENTORIES

	Group		Company	
	30 June 2024 S\$'000	31 December 2023 S\$'000	30 June 2024 S\$'000	31 December 2023 S\$'000
Spare parts, handsets, Accessories and prepaid cards	17,160	25,308	625	971
Raw materials	708	584	-	-
	<u>17,868</u>	<u>25,892</u>	<u>625</u>	<u>971</u>

During the six months ended 30 June 2024, an allowance for inventory obsolescence of \$105,000 (six months ended 30 June 2023: \$122,000) was made.

18 ASSET CLASSIFIED AS HELD FOR SALE

In 1H-24, management committed to a plan to sell the investment property at No. 32, Jalan 51A/223, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia, held by Pixio Sdn. Bhd., which is a wholly-owned subsidiary of the Company. Accordingly, the investment property is presented as asset held for sale.

The major classes of assets and liabilities comprising the "asset classified as held for sale" and "liability directly associated with asset classified as held for sale" were as follow:

	Group 30 June 2024 S\$'000
Investment property (Note 23)	7,344
Total asset held for sale	<u>7,344</u>
Bank loan	2,256
Total liability directly associated with Asset classified as held for sale	<u>2,256</u>

The bank loan is secured by the investment property and corporate guarantee from the Company.

19 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets with an aggregate cost of \$304,000 (30 June 2023: \$283,000) and disposed of assets with a net book value amounting to \$17,000 (six months ended 30 June 2023: \$41,000).

As at 30 June 2024, the carrying amount of the Group's property, plant and equipment was inclusive of an allowance for impairment of renovation of \$67,000 (six months ended 30 June 2023: \$9,000) for certain non-performing outlets of DMS business.

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

20 RIGHT-OF-USE ASSETS

As at 30 June 2024, 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 \$6.5 million (six months ended 30 June 2023: \$3.2 million), nett of allowance for impairment of \$506,000 (six months ended 30 June 2023: \$256,000) for leases of certain non-performing outlets of DMS business.

21 INVESTMENT IN EQUITY SECURITIES

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Investments in quoted equity instruments designated as at FVTOCI	80,239	76,839	80,239	76,839
Investments in quoted equity instruments designated as at FVTPL	2,112	4,839	2,112	4,839
	82,351	81,678	82,351	81,678

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

During the six months ended 30 June 2024, the Group has invested \$9.1 million (six months ended 30 June 2023: \$89,000) and disposed of certain quoted equity securities with a cumulative fair value of \$6.6 million (six months ended 30 June 2023: \$11.7 million). The cumulative gain on disposal of \$322,000 (six months ended 30 June 2023: gain on disposal of \$1.5 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 increase of \$668,000 (six months ended 30 June 2023: net fair value decrease of \$2.9 million) was recorded in the investment revaluation reserve for the period ended 30 June 2024.

The investment in quoted equity designated as at fair value through profit or loss was recorded at \$2.1 million as at 30 June 2024 with a fair value loss of \$2.8 million for 1H-24 (1H-23: fair value gain of \$1.2 million).

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

21 INVESTMENT IN EQUITY SECURITIES (CONT'D)

As at 30 June 2024, the Group invested in quoted investment securities of companies which are broadly categorised within the following business sectors:

Business Sectors	%
Financials	41.8%
Real estate	39.8%
Infrastructure	6.9%
Healthcare	4.6%
Agriculture	3.8%
Leisure and hospitality	2.9%
Education	0.2%
TOTAL	100.0%

Below is the key information of the investment securities as at 30 June 2024:

By Market Capitalisation	%
\$1 billion and above	87.6%
\$500 million to \$1 billion	1.3%
\$200 million to \$500 million	4.3%
\$200 million and below	6.8%
TOTAL	100.0%

By Exchange (based on market value)	%
SGX	48.7%
HKEX	46.4%
NASDAQ	4.6%
SIX	0.3%
TOTAL	100.0%

By Currencies (based on market value)	%
HKD	46.4%
SGD	40.5%
USD	12.8%
CHF	0.3%
TOTAL	100.0%

Weighted portfolio Information (based on simple weighted average calculation)	
Market Capitalisation	\$29.6 billion
Dividend Yield	5.0%
5-year Beta	0.705
P/B	0.33x
EV/EBITDA	6.94x
Debt/EBITDA	3.59x

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

22 INVESTMENT IN DEBT SECURITIES

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
Quoted debts securities, at fair value through other comprehensive income	24,096	24,323	24,096	24,323
	24,096	24,323	24,096	24,323
Analysed as:				
Current	7,207	12,654	7,207	12,654
Non-current	16,889	11,669	16,889	11,669
	24,096	24,323	24,096	24,323

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

During the six months ended 30 June 2024, the Group has invested \$Nil (six months ended 30 June 2023: \$32.6 million) mainly in Chinese real estate bonds, redeemed \$Nil (six months ended 30 June 2023: \$560,000) and disposed \$Nil (six months ended 30 June 2023: \$28.6 million) respectively in debt securities.

The total investment in debt securities designated as amortised cost (Tsinghua Bond) was fully disposed in 1H-23 and the loss allowance of \$10.4 million was reversed in 1H-23.

For investment in debt securities designated as fair value through other comprehensive income, an allowance of \$8.4 million was recorded in the six months ended 30 June 2024 (six months ended 30 June 2023: \$32.0 million) as the debt securities were assessed with a significant increase in credit risk.

For quoted debt securities at fair value through other comprehensive income, 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.

As at 30 June 2024, 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 30 June 2024:

By Exchange (based on purchase consideration)	%
SGX	79.9%
HKEX	20.1%
TOTAL	100.0%

By Currencies (based on purchase consideration)	%
USD	94.7%
SGD	5.3%
TOTAL	100.0%

By Credit Rating (based on purchase consideration)	%
Non-rated	100%
TOTAL	100.0%

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

23 INVESTMENT PROPERTY

	Group	
	30 June 2024	31 December 2023
	S\$'000	S\$'000
Leasehold land and building		
At beginning of year	7,321	7,763
Property reclassified as held for sale	(7,344)	-
Currency realignment	23	(399)
Fair value gain recognised in profit or loss	-	(43)
At end of period/ year	-	7,321

Fair value measurement of the Group's Investment property

The Group's investment property is stated at the 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 the investment property is included in the profit and 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 classified under level 3 of the fair value hierarchy.

24 BANK OVERDRAFTS AND LOANS

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Secured - at amortised costs</u>				
Bank overdrafts	13,004	14,415	13,004	14,415
Bank loans	26,438	28,670	26,438	26,281
	39,442	43,085	39,442	40,696
<u>Unsecured - at amortised costs</u>				
Bank loans	1,728	2,360	1,728	2,360
Trust receipts	-	3,500	-	-
	1,728	5,860	1,728	2,360
Total	41,170	48,945	41,170	43,056
Analysed as:				
Current	40,732	47,859	40,732	41,970
Non-current	438	1,086	438	1,086
	41,170	48,945	41,170	43,056

Bank overdrafts and loans comprised mainly of bank overdrafts and term loans of \$13.0 million and \$26.4 million respectively for the investment in equity and debt securities and term loans of \$1.7 million for working capital.

The secured borrowings comprise bank overdrafts and term loans of \$39.4 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 30 June 2024.

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

25 SHARE CAPITAL

	<u>Group and Company</u>			
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	Number of ordinary shares		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

26 TREASURY SHARES

	<u>Group and Company</u>			
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	Number of ordinary shares		S\$'000	
At beginning of year	35,347,783	31,514,983	3,086	2,836
Repurchased during the period/year	1,027,000	3,832,800	55	250
At end of period/ year	36,374,783	35,347,783	3,141	3,086

27 SUBSEQUENT EVENTS

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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 29 April 2024, the Company bought back 1,027,000 ordinary shares during 1H-24. The amount paid, including brokerage fees, totaled \$55,462 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 30 June 2024. The total number of ordinary shares in issue was 907,077,553 of which 36,374,783 was held by the Company as treasury shares as at 30 June 2024. The treasury shares held represents 4.2% of the total number of issued shares (excluding treasury shares). The share capital was \$123,276,197 as at 30 June 2024.

There were no movements in the Company's issued share capital for the period ended 30 June 2023. 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 30 June 2023. The treasury shares held represents 3.6% of the total number of issued shares (excluding treasury shares). The share capital was \$123,276,197 as at 30 June 2023.

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 30 June 2024, 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	
	30-Jun-24	31-Dec-23
Total number of issued shares	907,077,553	907,077,553
Less: Treasury shares	<u>(36,374,783)</u>	<u>(35,347,783)</u>
Total number of issued shares excluding treasury	<u>870,702,770</u>	<u>871,729,770</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 2023 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 increased by 30% from \$93.3 million in 1H-23 to \$121.2 million in 1H-24, mainly from DMS business due to higher market demand and higher interest income from Investment business segment. Gross margin for the Group increased by 1% in 1H-24 from 16% in 1H-23 to 17% in 1H-24.

Revenue from the DMS business rose by 34%, increased from \$73.3 million in 1H-23 to \$98.5 million in 1H-24, primarily due to higher sales activities in handset distribution. However, revenue growth was impacted by reduced walk-in sales at retail outlets, though this was partially offset by increased sign-ups for ZYM Mobile SIM plans (MVNO services). The gross margin for the DMS business remained steady at 6% in both periods.

Revenue from AMS business decreased by 16% from \$10.7 million in 1H-23 to \$9.0 million in 1H-24, due to lower repair volumes and a decline in spare parts revenue. However, gross margin improved by 3% rising from 22% to 25% compared to the same period last year, primarily due to a shift in the repair mix.

Revenue from the Investment segment grew by 62%, from \$7.2 million in 1H-23 to \$11.7 million in 1H-24. The increase was mainly driven by a \$5.0 million rise in coupon interest income from investments in debt securities. This was partly offset by a \$0.2 million decrease in interest income from loans to third parties and a \$0.3 million reduction in dividend income from investments in equity securities

Revenue from DPAS business of \$1.9 million decreased by 7% in 1H-24 as compared with 1H-23, due to lower local market demand. Gross margin decreased from 36% in 1H-23 to 31% in 1H-24, affected by the higher outsourcing costs for installation work during the period.

Other operating income rose by \$3.1 million to \$6.2 million in 1H-24 compared to 1H-23, primarily due to the \$3.2 million work fee received from the issuer of certain distressed debt securities, for the negotiation work undertaken by the company during the restructuring process.

Administrative costs remained relatively consistent with a marginal increase of 3% in 1H-24 compared to 1H-23, mainly due to higher staff costs and office expenses.

Other operating expenses increased by 10% (\$0.2 million) in 1H-24, mainly resulted from higher depreciation of right-of-use assets by \$0.2 million as the leases of certain retail outlets were renewed with higher rental costs in late FY2023 and early FY2024.

Finance costs decreased by \$170,000 in 1H-24, primarily due to a reduction in loans taken for investments in quoted securities which resulted in lower finance costs by \$246,000. This reduction was partially offset by a \$78,000 increase in interest expenses related to leases on right-of-use (ROU) assets.

Impairment losses on financial assets decreased by \$13.0 million compared to 1H-23, mainly due to a \$13.1 million reduction in the loss allowance for investments in debt securities, reflecting a slow recovery in credit risk for certain distressed debt securities and a \$0.2 million reversal of the allowance for non-trade receivables. This decrease was partially offset by a \$0.4 million increase in the loss allowance for trade receivables related to accrued coupon interest on distressed debt securities.

F. OTHER INFORMATION (CONT'D)

Revenue and Profit after income tax (Cont'd)

The Group reported net profit after tax of \$149,000 in 1H-24, compared to net loss of \$16.9 million in 1H-23, mainly due to the reduced impairment loss on investment in debt securities by \$13.1 million, the \$3.2 million work fee received and the improved gross profits. However, it was partially offset by the fair value loss on quoted equity investment of \$2.8 million in 1H-24.

Excluding the following adjustments, the Group registered net profits of \$11.4 million in 1H-24, which is 240% higher than \$3.4 million in 1H-23.

	6 months ended 30 June 2024	6 months ended 30 June 2023	Inc/(Dec)
	S\$'000	S\$'000	%
Profit/(Loss) for the period	149	(16,855)	N.M.
<u>Adjustments during the period:</u>			
Loss allowance on investment in debt securities	8,433	21,552	-61%
Fair value loss on derivative assets	-	64	N.M.
Fair value gain on convertible loan	-	(244)	N.M.
Fair value loss/(gain) on quoted equity investment	2,831	(1,156)	N.M.
Adjusted profit for the period	<u>11,413</u>	<u>3,361</u>	240%

F. OTHER INFORMATION (CONT'D)

Balance Sheet Analysis

Current assets

Total current assets decreased by \$11.2 million from \$67.0 million as at 31 December 2023 to \$55.8 million as at 30 June 2024, mainly due to the decrease in trade receivables by \$1.6 million, decrease in inventory by \$8.0 million, decrease in investment in debt securities by \$5.4 million and the decrease in cash and bank balances by \$3.9 million. It was partially offset by the asset classified as held for sale of \$7.3 million, was reclassified from investment property under non-current asset due to management committed to sell the property within the next 12 months.

Non-current assets

Total non-current assets decreased by \$1.1 million from \$110.7 million as at 31 December 2023 to \$109.6 million as at 30 June 2024.

Investment in equity securities increased by \$0.7 million, mainly due to investments in equity securities and the fair value gains in 1H-24. It was partially offset by disposal of equity securities of \$6.6 million in 1H-24.

Investment in debt securities increased by \$5.2 million, mainly due to the receipt of payment in kind (in the form of debt securities) for coupon interests of restructured bonds, partially offset by the fair value movement of the debt securities in 1H-24.

Right-of-use assets decreased by \$1.1 million in 1H-24 due to depreciation of the assets.

The other receivables increased by \$1.4 million mainly arose from rental deposits with tenure of more than 1 year and lease receivables.

Current liabilities

Total current liabilities decreased by \$11.2 million from \$74.2 million as at 31 December 2023 to \$63.0 million as at 30 June 2024, mainly due to decrease in bank overdrafts and loans by \$7.1 million and trade payables by \$7.5 million. It was partially offset by the increase in other payables by \$1.1 million and liability classified as held for sale of \$2.3 million, relating to loans associated with the investment property currently held for sale.

Non-current liabilities

Total non-current liabilities decreased by \$1.8 million from \$6.4 million as at 31 December 2023 to \$4.5 million as at 30 June 2024, mainly due to the decrease in lease liabilities and long-term bank loan as repayments were made.

Negative working capital

Notwithstanding that the Group and the Company are in net current liabilities position of \$7.2 million and \$27.0 million respectively as at 30 June 2024, the Board is of the view that the Group and the Company are able to meet the financial obligations in view of the investment in quoted equities of \$82.4 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 \$11.0 million as at 30 June 2024, representing an outflow of \$3.9 million since 31 December 2023.

Cashflow from operating activities

Net cash inflow of \$8.5 million in 1H-24 arose mainly from positive operating cash flows before movements in working capital of \$7.3 million, and the inflow from the changes in working capital of \$1.3 million, mainly due to lower inventories.

Cashflow from investing activities

Net cash outflow of \$2.8 million in 1H-24 was mainly due to the purchase of quoted debt securities of \$9.1 million. This was partially offset by the proceeds from disposal of quoted equity securities of \$6.5 million.

Cashflow from financing activities

Net cash outflow of \$9.7 million in 1H-24 was attributable to net repayment of bank borrowings of \$6.4 million, repayment of lease liabilities of \$1.9 million and interest payment of \$1.3 million.

F. OTHER INFORMATION (CONT'D)

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, given the competitive conditions and the broader business environment marked by macroeconomic uncertainties and geopolitical tensions.

Dividend income will continue to remain the main revenue source for the Investment division. The volatility of financial markets and the pace of debt securities recovery and restructuring could exert pressure on the division's performance. Nevertheless, given the low acquisition costs, diversified holdings, and the active role the Group is playing in engaging with debt securities issuers, the Group remains cautiously optimistic of long term investment performance.

DMS division faces a challenging environment with intense competition and margin pressure. The Group's retail operations will prioritise operational efficiency and strengthening partnerships with key principals to drive sales growth. Group's MVNO business, ZYM Mobile continues to grow with increasing subscribers base and competitive SIM plan offerings.

AMS division is experiencing a decline in repair volumes, which poses a potential challenge to its performance. The division will prioritise cost discipline to mitigate the impact of lower repair demand.

DPAS division expects stable business performance but may face margin pressure due to rising operational costs.

The Group will focus on navigating the competitive conditions and business uncertainties through emphasis on efficiency, strengthening partnerships, and prudent cost management, 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

(c) Date payable

Not applicable

F. OTHER INFORMATION (CONT'D)

7. Dividend (Cont'd)

(d) Books closure date

Not applicable

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

No dividend has been declared or recommended for the period, in view of the current economic uncertainties and dividend consideration would be assessed based on the full year results.

9. Interested Person Transactions

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions. During 1H-24, 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	202	-
Total	202	-

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

10. 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
14 August 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 the first half 2024 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, 14 August 2024