



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

PROPOSED DISPOSAL OF PROPERTY IN MALAYSIA

1. Introduction

The board of Directors (the “**Board**”) of mDR Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Pixio Sdn. Bhd. (the “**Vendor**” or “**Pixio**”), has entered into an agreement on 1 February 2024 (the “**Agreement**”), in respect of the proposed sale (the “**Proposed Disposal**”) of the land under HS(D) 173078 No. PT 32, Bandar Petaling Jaya, Daerah Petaling Negeri Selangor together with two (2) blocks of buildings erected thereon and bearing postal address of No. 32, Jalan 223, Seksyen 51A, 46100 Petaling Jaya, Selangor, Malaysia (collectively, the “**Property**”).

2. About the Purchaser

The purchaser of the Property is National Kidney Foundation of Malaysia (the “**Purchaser**”), an organization in Malaysia that, *inter alia*, assists patients for dialysis treatment. The Purchaser is an independent and unrelated third party. To the best of the Board’s knowledge, information and belief, having made all reasonable enquiries, the Purchaser is a third party independent of the Company, its directors and controlling shareholders, and is not related to the Company.

3. Information relating to the Property

- 3.1 The land has an area of 6,182.495 square metres (66,548 square feet) and the buildings thereon have gross floor area of 5,370 square metres (57,806 square feet). The 99-year lease for the leasehold land will expire on 9 July 2069. The Property is to be sold on an “as is where is” basis.
- 3.2 The Vendor currently leases the Property. As the Group does not conduct any operations at the Property, the Property is not material to the Group’s business and is a non-core asset of the Group. The Property is being sold subject to the existing leases between the Vendor and the respective tenants.

4. Rationale

The Company believes that the Proposed Disposal is in the best interests of the Group as the Property is currently not used for Group’s operations and the Proposed Disposal will enable the Group to realise the value of the Property and to improve and optimise the utilisation of its assets and capital.

5. Material Terms of the Proposed Disposal

- 5.1 The total sale consideration for the Proposed Disposal of the Property is RM29,000,000 (Ringgit Malaysia Twenty Nine Million) (“**Purchase Price**”).¹

¹ Exchange rate for Malaysian Ringgit (RM) and Singapore Dollar (S\$) where used in this announcement is based on an illustrative exchange rate of S\$1 = RM3.284935.

- 5.2 The sale consideration for the Property was arrived at after arm's length negotiations and on a willing-buyer and willing-seller basis, after taking into consideration the current market prices of properties in the surrounding area and the latest independent valuation of the Property dated 2 January 2024 (the "**Valuation Report**") which was commissioned by Pixio as part of the Group's yearly valuation exercise.
- 5.3 An initial earnest deposit equivalent to 3% percent of the Purchase Price amounting to RM870,000 (the "**Earnest Deposit**") has been paid by the Purchaser to the Vendor's authorized agent, Property Hub Sdn Bhd as stakeholder, upon the acceptance of the Purchaser's offer and signing of the Agreement by the Vendor.
- 5.4 A further deposit equivalent to 7% percent of the Purchase Price amounting to RM2,030,000 shall be paid by the Purchaser to the Vendor upon signing of the Sale and Purchase Agreement (the "**SPA**").
- 5.5 The balance 90% of the Purchase Price of the Property i.e. RM26,100,000 (S\$7,945,000) shall be paid by the Purchaser to the Vendor within 90 days from the date of signing of the SPA ("**Completion Date**").

6. **Gain from the Proposed Disposal**

The excess from the sale proceeds of the Proposed Disposal over the book value of the Property is approximately S\$1,096,000.

7. **Use of sale proceeds**

The Vendor expects to receive a net proceed of approximately S\$8,250,000 (after deduction of real estate agent commission, legal expenses and real property gain tax). The Group intends to utilise the sale proceeds to pay off the mortgage loan of S\$2,533,000 of the Property and the balance proceeds for working capital.

8. **Financial Effects of the Proposed Disposal**

For illustrative purposes only, based on the latest announced audited consolidated financial statements of the Group for the financial year ended 31 December 2022, the proforma financial effects of the Proposed Disposal on the consolidated net tangible assets ("**NTA**") are estimated as follows:

Net tangible assets per share

	Before completion of the Proposed Disposal	After completion of the Proposed Disposal
Net tangible assets (S\$'000)	151,231	151,604
Number of issued shares (excluding treasury shares)	875,562,570	875,562,570
Net tangible assets per share (Singapore cents)	17.27	17.32

Earnings per share

For illustrative purposes only and assuming that the Proposed Disposal had been completed on 1 January 2022, the proforma financial effects of the Proposed Disposal on the consolidated earnings per share ("EPS") of the Group for FY2022 will be as follows:

	Before completion of the Proposed Disposal	After completion of the Proposed Disposal
Profits after tax attributable to equity holders of the Company (S\$'000)	7,258	7,642
Weighted average number of shares	875,684,331	875,684,331
EPS (Singapore cents)	0.829	0.873

9. Application of Rule 1006 of the Listing Manual

Based on the latest announced audited consolidated financial statements of the Group for the financial year ended 31 December 2022, the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited Mainboard Rules ("**Relative Figures**") are as follows:

Rule 1006	Relative Figures (%)
<u>Rule 1006 (a)</u> The net asset value of the assets to be disposed of, compared with the Group's net asset value	5% ⁽¹⁾
<u>Rule 1006 (b)</u> Net profits attributable to the assets disposed of, compared with the Group's net profits	7% ⁽²⁾
<u>Rule 1006 (c)</u> The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	17% ⁽³⁾
<u>Rule 1006 (d)</u> The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
<u>Rule 1006 (e)</u> The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil	Not applicable ⁽⁵⁾

and gas company, but not to an acquisition of such assets.	
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Notes:

- (1) Based on the net asset value of the Group of S\$151,231,000 as at 31 December 2022 and the net asset value of the Property of S\$7,763,000 as at 31 December 2022.
- (2) Based on the net profits of the Group of S\$7,225,000 for the year ended 31 December 2022 and the net profits attributable to the assets disposed of S\$518,000 for the year ended 31 December 2022.
- (3) Based on the consideration of S\$8,828,000 and the market capitalisation of the Company of approximately S\$53.16 million which is determined by multiplying 871,483,770 shares (excluding treasury shares) in issue by the volume weighted average price of S\$0.061 on 31 January 2024, being the market day with trades done preceding the date of the Agreement.
- (4) Not applicable to disposal of assets.
- (5) Not applicable as the Company is not a mineral, oil and gas company.

As the relative figure calculated under Rule 1006(c) of the Mainboard Rules exceeds 5% but is less than 20%, the Proposed Disposal constitutes a "Discloseable Transaction" as defined under Chapter 10 of the Mainboard Rules.

10. Directors' or Controlling Shareholders' Interest and Service Contracts

- 10.1 None of the Directors or controlling shareholders of the Company have any direct or indirect interest in the Proposed Disposal, other than through their respective shareholdings in the Company.
- 10.2 No directors are proposed to be appointed to the Company, and no service contracts are to be entered into by the Company, in connection with the Proposed Disposal.

11. Documents for Inspection

A copy of the Agreement and the Valuation Report is available for inspection during normal business hours at the Company's registered office at 53 Ubi Crescent, Singapore 408594, for 3 months from the date of this announcement.

12. Further Announcements

The Company will make further announcements in relation the Proposed Disposal as and when there are material developments.

BY ORDER OF THE BOARD

Madan Mohan
Company Secretary

1 February 2024