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**ISSUE OF 1.5% PER CENT. EQUITY-LINKED REDEEMABLE NON-RECALLABLE STRUCTURED CONVERTIBLE NOTES DUE 2010 WITH AN AGGREGATE PRINCIPAL AMOUNT OF UP TO S\$32,000,000 COMPRISING THREE TRANCHES OF A PRINCIPAL AMOUNT OF S\$12,000,000, S\$10,000,000 AND S\$10,000,000 EACH RESPECTIVELY-CONVERSION**

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Note: (Capitalised terms not expressly defined herein shall have the same meanings as ascribed to them in the Company's Circular dated 21 December 2007)

The Board of Directors of mDR Limited (the "**Company**") wishes to announce that Value Capital Asset Management Limited ("**VCAM**") in its capacity as investment manager to Advance Opportunities Fund, has exercised to convert the aggregate principal amount of S\$500,000 in respect to the sixth sub-tranche of Tranche 1 Notes, at the Floating Conversion Price of S\$0.0072.

The Floating Conversion Price of S\$0.0072 is based on 90% of the average of the five consecutive closing prices per share of the Company on 29 April 2009, 30 April 2009, 4 May 2009, 5 May 2009 and 6 May 2009, as traded on the Official List of the SGX-ST, and in accordance with the terms and conditions of the Subscription Agreement dated 5 November 2007.

The aggregate number of new shares to be allotted to VCAM is 69,444,444 ordinary shares.

The new shares arising from the conversion of the Notes in aggregate do not exceed 50% of the share capital of the Company.

None of the Directors of Substantial Shareholders have any direct or indirect interest in the above transaction.

BY ORDER OF THE BOARD  
**Huang Wenjian Eugene**  
Company Secretary

11 June 2009