

MEDINEX LIMITED

Incorporated in the Republic of Singapore
Registration No. 200900689W

MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED SUBSCRIPTION OF SHARES IN HEALTHCARE ESSENTIALS PTE LTD (“HEPL”)

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Medinex Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the announcement dated 7 October 2020 made by the Company’s controlling shareholder, HC Surgical Specialists Limited (“**HCSS**”) in respect of the entry into a memorandum of understanding (“**MOU**”) in relation to a proposed subscription of shares in HEPL.

The Board wishes to announce that the Company had, on 25 September 2020, entered into a non-binding MOU with HEPL for a proposed subscription of such number of new ordinary shares in HEPL, which upon completion of the subscription would be equivalent to 20% of the total issued share capital of HEPL (the “**Proposed Investment**”). HEPL is a Singapore-based company specialised in retail sales of pharmaceutical and medical goods and provision of management consultancy services. HEPL is currently 100% owned by a third party, Mr. Lim Chye Lai, Gjan.

In view that HCSS has, on 7 October 2020, also entered into a similar MOU with HEPL for the proposed subscription of 20% of the total issued share capital of HEPL, upon entry into definitive agreements and on completion, the shareholders of HEPL will comprise of the Company, HCSS and Mr. Lim Chye Lai, Gjan, and the Proposed Investment will constitute an Interested Person Transaction (“**IPT**”) under Chapter 9 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”).

2. PROPOSED INVESTMENT

Subject to completion of due diligence and entry into a definitive agreement, the proposed consideration for the Proposed Investment is to be 20% of an amount which is two times of the net tangible asset (“**NTA**”) value of HEPL as at 31 August 2020, and is estimated to be approximately S\$182,000, representing 2.57% of the Group’s latest audited NTA. The latest audited NTA of the Group (excluding non-controlling interests) as at 31 March 2020 was S\$7,071,751.

Accordingly, the Proposed Investment, if completed, is a non-disclosable transaction under Chapter 9 of the Catalist Rules.

The MOU shall terminate on the earlier of (a) the date on which a definitive agreement is executed between HEPL and the Company; or (b) the date falling six months from the date of the MOU.

3. RATIONALE FOR THE PROPOSED INVESTMENT

In view that HEPL is in the business of retail sales of pharmaceutical and medical goods and management consultancy services, the Board is of the view that the Proposed Investment will enable the Group to tap into HEPL's expertise in the sale of pharmaceutical and medical goods to the Group's clients.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Saved as disclosed in this announcement, none of the directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect (other than through their respective shareholdings (if any) in the Company), in the Proposed Investment.

The Company will make further announcements, upon the execution of a definitive agreement and/or when there are material developments in respect of the Proposed Investment.

By Order of the Board

Jessie Low Mui Choo
Executive Director and Chief Executive Officer
8 October 2020

Medinex Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 7 December 2018. The initial public offering of the Company (the "**IPO**") was sponsored by Novus Corporate Finance Pte. Ltd. (the "**Sponsor**").

This announcement has been prepared by the Company and reviewed by the Sponsor, in compliance with Rule 226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.