



COMMITMENT TO
EXCELLENCE

ANNUAL REPORT 2018

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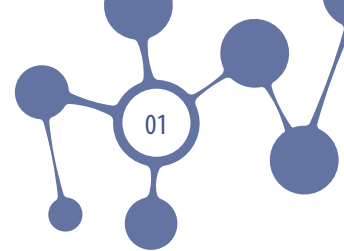
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Medinex Limited (the "**Company**") was listed on Catalyst of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 7 December 2018. The initial public offering of the Company was sponsored by Novus Corporate Finance Pte. Ltd. (the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

This annual report has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this annual report.

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.



Medinex Limited (“**Medinex**” or the “**Company**”, and together with our subsidiaries, the “**Group**”) is a Singapore-based medical support services provider, specialising in providing professional support services to medical clinics. Our scope of medical support services includes overseeing the setting up of clinics, facilitating applications for relevant clinic licences and providing business support services such as accounting and tax agent services, human resource management services and corporate secretarial services. We also focus on providing pharmaceutical services to our clients, assisting them in procuring medical and pharmaceutical products.

As an ancillary service, we provide business support services such as accounting and tax agent services, and corporate services to companies outside of the healthcare industry.

Medinex has been accredited as an Accredited Training Organisation (ATO) for the attainment of the Chartered Accountant (Singapore) designation.

OUR VISION

To be the preferred support platform for primary and secondary healthcare providers with a multi-disciplinary approach.

OUR MISSION

To provide a one-stop solution for healthcare entrepreneurs to start-up and grow their business through our support platform.

OUR SERVICES

MEDICAL SUPPORT SERVICES

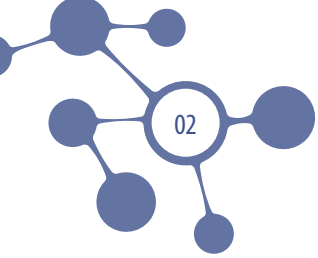
- Provide customised and value-added support services to clients in primary and secondary healthcare sectors comprising general practitioners and specialists
- Provide turnkey solutions as well as detailed and strategic advice to general practitioners and specialists on establishing clinic facilities

PHARMACEUTICAL SERVICES

- Procure medical and pharmaceutical products for customers in Singapore
- Such medical and pharmaceutical products are obtained from authorised distributors in Singapore

BUSINESS SUPPORT SERVICES

- Provide a spectrum of business support services to assist clients to benefit from operational and cost efficiencies generated from economies of scale
- Serve clients over a variety of industries, including but not limited to food and beverage, retail, education and beauty



CHAIRMAN'S MESSAGE

MEDINEX LIMITED

To add value to our clients, in the midst of shifting environments, the group continually focus on building an integrated nexus of specialists in various fields to create a strong synergy as the business needs of our clients grows ever more in complexity. We anticipate building a more connected and vigorous eco-system as we consolidate the experience and expertise of our subsidiaries in diverse fields onto our business platforms



Dear Shareholders,

On behalf of the Directors and Management of Medinex Limited ("**Medinex**"), I am pleased to submit the Annual Report for Medinex for the financial year ended 31 December 2018 ("**FY2018**").

FY2018 is a milestone year for the Group as we successfully expanded our business through the acquisition of three additional subsidiaries and culminated in the listing of Medinex on 7 December 2018.

During this landmark year, Medinex achieved an increase turnover of 197.36% from S\$3.03 million in FY2017 to S\$9.01 million in FY2018, contributed by the acquisition of new subsidiaries.

Even though the Group recorded a higher revenue in FY2018, profit attributable to owners of the Company declined from S\$0.94 million in FY2017 to S\$0.82 million in FY2018, due to the one-off initial public offering ("**IPO**") expenses of S\$1.06 million in FY2018 as well as higher operating expenses as a result of an increase in the number of subsidiaries of the Group acquired in FY2018.

The Board of Directors (the "**Board**") recommends a final tax exempt (one-tier) dividend of S\$0.0084 for FY2018. The total dividend payout will amount to S\$1.10 million.

OVERVIEW AND EXPANSION

Despite challenging economic situations globally and locally, the healthcare industry has shown unabated growth and continual expansion in various healthcare, medical services and related sectors. The Ministry of Health ("MOH") has reported an expenditure of S\$21 billion on healthcare in Singapore in 2016 due to an increasing ageing population and an increase in chronic illnesses over the past decades.¹ Healthcare expenditure has been projected to grow to an estimated S\$44 billion by 2030. Moreover, the MOH projected the number of Singapore's population requiring geriatric services to reach 900,000 by the year 2030, up from the current 450,000.

At the same time, the medical field has experienced a 52% increase in the number of registered doctors over the period from 2010 to 2018. As the Singapore Government pushes for more diverse providers of medical and related services for the shifting demographic, the demand for expertise in setting up and operating these medical enterprises increases correspondingly.

The rising median age of the population, in addition, brings about new challenges in the various healthcare sectors which has correspondingly generated opportunities for our Group to service this growing industry. Building on a strong foundation of integrated network of healthcare specialists, medical service providers, business services and ancillary support vendors, our Group is poised to support the expanding needs of the healthcare market.

OPPORTUNITIES IN THE NEW ECONOMY

The many changes in the healthcare, technological and business environments have brought about appreciation of the emerging fields, especially in the areas of artificial intelligence, data analytics and assistive diagnosis technology, which translates into innovation in treatments and healthcare provisions, which in turn points to a greater need for corporate governance of information and business structures.

To add value to our clients, in the midst of shifting environments, the group continues to build an integrated nexus of specialists in various fields to create a strong synergy as the business needs of our clients grows ever more in complexity. We anticipate building a more connected and vigorous eco-system as we consolidate the experience and expertise of our subsidiaries in diverse fields onto our business platforms.

APPRECIATION

While Medinex perseveres in creating a strong value-chain and bringing sustainable and recurrent business revenue for our clients, we are equally mindful of the human capital that is the lubricant to the operation of the group.

Hence, I would like to take this opportunity to express my appreciation and gratitude for the strong support that our shareholders, business partners and clients render toward us in the building of our vision. In addition, I wish to thank my fellow directors, management and staff for their dedication and commitment, and for their invaluable business insights provided towards the group over the past years, without which the fruit of our labour would not be possible.

Mr. John Tan Lee Meng

Non-Executive Chairman, Medinex Limited

¹ Ministry of Health, 6th March 2019. Speech by MOH Minister, Mr Gan Kim Yong.

In view of the expanding demands of our clients, Medinex focuses on continually building a wider spectrum of diverse specialists, aligning our suite of service offerings to the needs of our clients. Leveraging on our ability to customise our services and competence in the delivery, we are able to optimise value within the cost constraints of our clients effectively.

**Dear Shareholders,**

FY2018 has been an exhilarating year for Medinex as we have successfully listed the Company on the Catalist board of the SGX-ST in December 2018. The acquisitions and consolidation of the Group's subsidiaries over the past year have geared the Group towards greater growth.

BUSINESS OUTLOOK

2018 was a challenging year globally as the world experienced a slowdown due to trade conflicts and political restructuring in major economies. Meanwhile, in Singapore, the gradually ageing demographics has painted a new scenario for many medical business segments to readjust their strategies. Escalation of business costs locally has also spurred medical services and related providers to anticipate an outlook of growth with prudence in operational expenses.

BUSINESS FOCUS & GROWTH OPPORTUNITIES

Uncertainties will always provide new opportunities for growth. As the healthcare sector morph into a more complex entity, establishing a strong and integrated network with healthcare specialists, medical services providers and business services becomes critical in the sustenance of businesses. As medical and related services turn more personal, it signals a nascent grow in the private medical practices for the immediate future. When growth becomes more divergent, a greater need for the medical practices is to reconnect with the larger healthcare ecology, thereby ensuring business viability and sustenance in the long run.

In view of the expanding demands of our clients, Medinex focuses on continually building a wider spectrum of diverse specialists, aligning our suite of service offerings to the needs of our clients. Leveraging on our ability to customise our services and competence in the delivery, we are able to optimise value within the cost constraints of our clients effectively.

In addition, building upon our robust relationship of trust with our clients, we are proactively anticipating their short-term and long-term needs, providing timely and creative solutions in facilitating their business transformations in tandem with budgets and cost constraints.

Utilising emergent technologies will be another focus as business environments demand shorter response durations coupled with greater accuracy in performance. The Group may consider upgrading our existing information technology infrastructure to include artificial intelligence and data security facilities to allow the Group to be more efficient in responding to gradually shifting business landscapes.

Moving forward, Medinex will actively seek collaborators and partners in the forging and strengthening of our business structure, with potential tie-up and networking with regional medical service providers, to provide seamless and integrated services for our clients.

ACKNOWLEDGEMENTS

I am thankful for the dedication of our management and staff, and especially to the members of the Board of Directors for their advice; and to our clients who have shown unwavering trust in our Company; but most importantly to our shareholders who have demonstrated your support in our company with a strong vote of confidence. Thank you.

Ms. Jessie Low Mui Choo

Executive Director and Chief Executive Officer
Medinex Limited

PERFORMANCE REVIEW

MEDINEX LIMITED

FINANCIAL OVERVIEW

FY2018 was a year of significance for Medinex as it restructured its Group structure and acquired three (3) new subsidiaries: AccTax Management Consultancy Private Limited ("**AccTax**"), Patceljon Professional Services Pte Ltd ("**PPS**") and Jo-L Consultus Pte. Ltd. ("**Jo-L**"). Medinex also successfully listed on the Catalyst board of the SGX-ST on 7 December 2018.

The Group's revenue reached a new high of S\$9.01 million in FY2018, which amount to a 197.36% increase from the Group's revenue of S\$3.03 million in FY2017. The revenue contributions were primarily generated from the full year contribution of Nex Healthcare Pte. Ltd. ("**Nex**") and the acquisition of the three new subsidiaries.

Other income has increased by approximately S\$0.06 million or 330.42% in FY2018 as a result of the government grants, rental income and the interest from placements of fixed deposits.

Inventories and consumables used have increased by approximately S\$2.82 million or 575.10% in FY2018 as a result of the expansion of the Group's pharmaceutical services business.

Employee benefits expenses increased by S\$1.46 million or 124.98% in FY2018 as a result of the increase headcount from acquiring new subsidiaries, higher bonus and pay increment in FY2018.

Depreciation and amortisation expenses increased by approximately S\$0.05 million or 155.82% in FY2018 due to additional plant and equipment from Nex and AccTax and increase in amortisation expenses for intangible assets which arose from the acquisition of Nex, AccTax and PPS.

Other expenses increased by S\$1.51 million or 404.98% in FY 2018 due to one-off IPO expenses of S\$1.06 million, higher operating expenses as a result of an increase in number of subsidiaries of the Group and yearly statutory audit fee in FY2018.

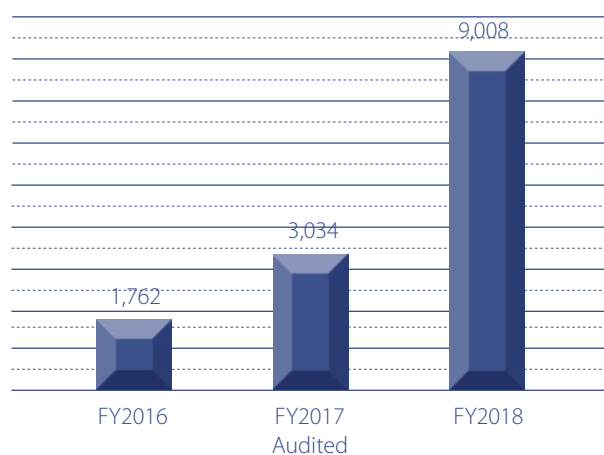
Profit attributable to owners of the Company declined by 12.95% to S\$0.82 million in FY2018, primarily due to the one-off IPO expenses of S\$1.06 million incurred in FY2018, higher operating expenses as a result of an increase in the number of subsidiaries of the Group which were acquired in FY2018 and, corresponding, higher yearly statutory audit fee. Excluding the one-off IPO expenses, profit attributable to owners of the Company would have been approximately S\$1.88 million in FY2018.

FINANCIAL POSITION

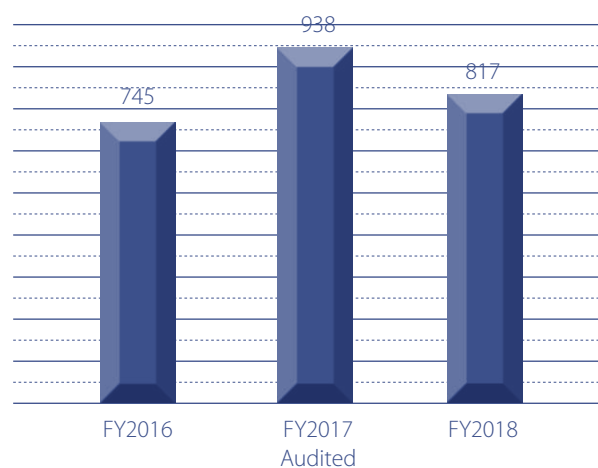
The Group is in a healthy financial position, with net assets attributable to shareholders of S\$13.53 million and net cash balance (including fixed deposits) of approximately S\$9.13 million as at 31 December 2018.

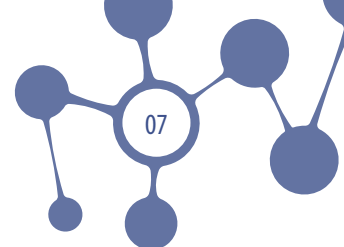
FINANCIAL HIGHLIGHTS

REVENUE (S\$'000)



PROFIT ATTRIBUTABLE TO OWNERS OF OUR COMPANY (S\$'000)





Total assets have increased from S\$7.04 million as at 31 December 2017 to S\$14.83 million as at 31 December 2018. It is primarily due to an increase in intangible assets by S\$1.37 million arising from the acquisition of new subsidiaries and an increase of net cash and bank balance (including fixed deposits) by S\$6.06 million arising from net proceeds received from the IPO and surplus generated from daily business operation.

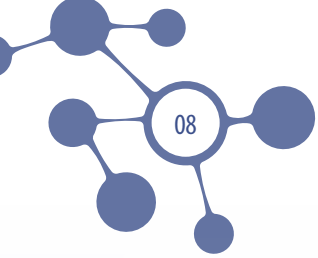
Total liabilities have increased from S\$0.91 million as at 31 December 2017 to S\$1.30 million as at 31 December 2018. It is primarily due to an increase in trade and after payables by S\$0.14 million, deferred tax liabilities by S\$0.02 million, current income tax payable by S\$0.22 million, provision of reinstatement costs for all the office premises by S\$0.03 million, slightly offset with a reduction of finance lease payables of S\$0.02 million.

Total equity has increased from S\$6.12 million as at 31 December 2017 to S\$13.53 million as at 31 December 2018. It is primarily due to S\$6.35 million of net contributions by owners arising from the IPO, S\$0.91 million of profit earned for FY2018 and S\$0.15 million of subscription of shares by non-controlling interests in subsidiaries.

CASH FLOW

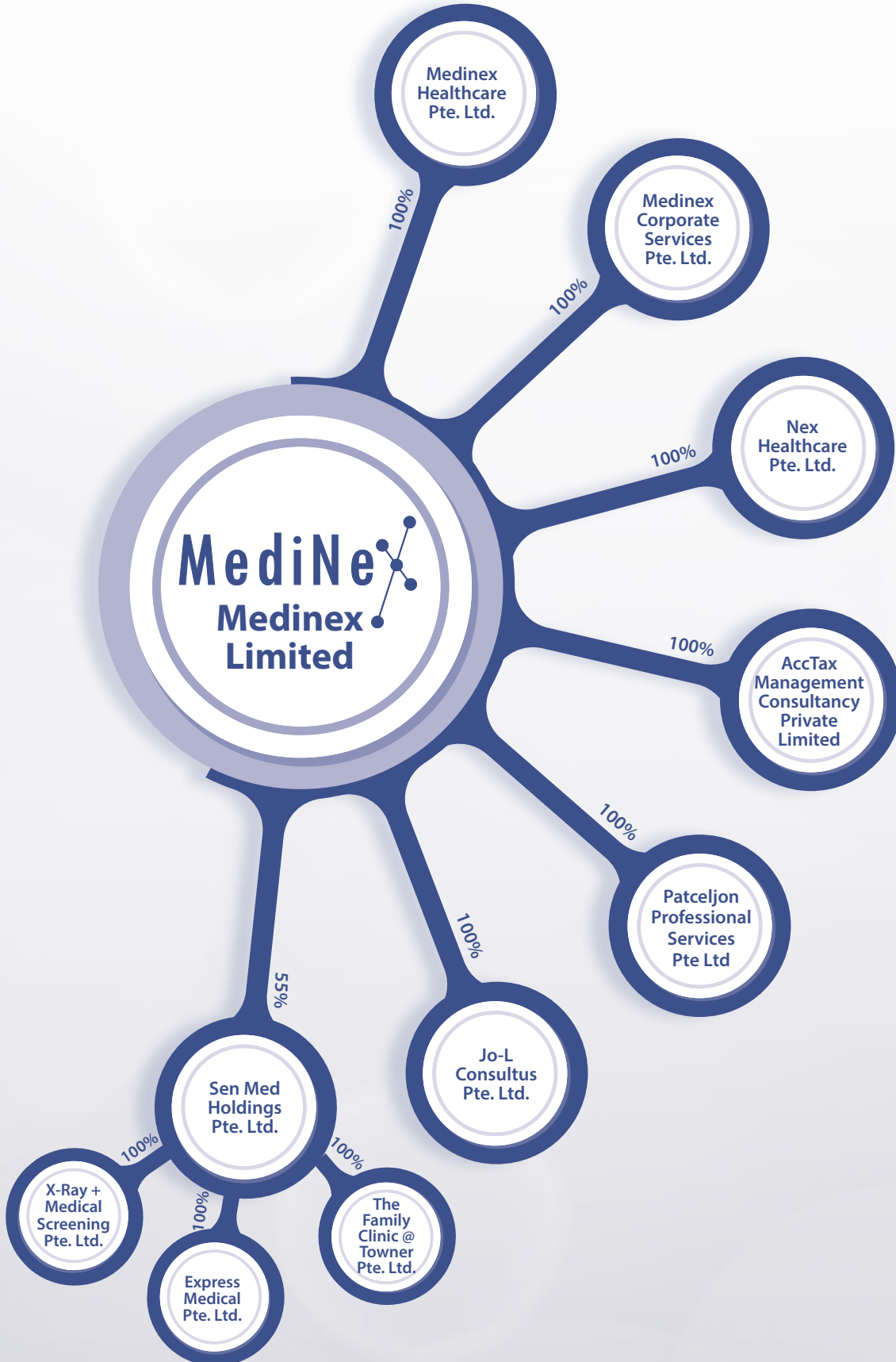
The net cash generated from operating activities amounts to S\$1.00 million in FY2018. This is primarily due to S\$1.17 million of profit before income tax generated from the operating activities offset with the increase of cash outflow to fund the working capital operations of the Group. Net cash used in investing activities amounts to S\$1.22 million in FY2018 is primarily due to S\$1.22 million of net cash outflow to fund the acquisition of new subsidiaries AccTax, PPS and Jo-L.

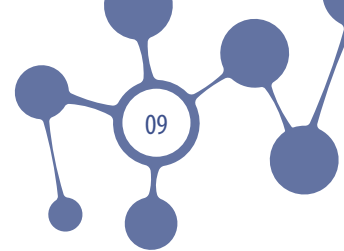
Net cash generated from financing activities amounts to S\$6.30 million in FY2018 is primarily due to S\$6.50 million of gross IPO proceeds and offset by share issuance expense of S\$0.15 million. Overall, the Group recorded a net increase in cash and bank balances (including fixed deposits) of approximately S\$6.06 million in FY2018.



GROUP STRUCTURE

MEDINEX LIMITED



**TAN LEE MENG***(Non-Executive Chairman)*

Mr. Tan Lee Meng was appointed as our Non-Executive Chairman on 22 May 2017. He is also a non-executive director of a subsidiary, Nex Healthcare Pte. Ltd. ("**Nex**") and a member of the Audit, Remuneration and Nominating Committee.

Mr. Tan has more than 20 years of experience in business development, incubating and investing in companies, and project management. He started his career in 1994, assisting his family in establishing construction and property-related businesses in Malaysia. In 1994, he was appointed as director of Asia Progress International Pte Ltd which participated in the Masterplan for Information Technology in Education to roll out the information technology training for teachers from the Ministry of Education in 1996. In 2000, he set up LinksTech Holding Pte Ltd to provide strategic investments in information technology companies. Since then, he has been providing investment and consultancy services to individuals and companies on their investments and merger and acquisition exercises and serves as a director overseeing the investments of his own companies. Mr. Tan was previously an independent director of BRC Asia Limited and Hisaka Holdings Ltd (now known as Regal International Group Ltd.), and a non-executive director of See Hup Seng Limited (now known as SHS Holdings Ltd) and Sibercert Pte Ltd (a subsidiary of PSB Corporation). He is currently a director of Shine International Group Pte. Ltd., which provides business consultancy services, investment in and incubation of sunrise companies for initial public offerings.

Mr. Tan graduated from Oklahoma City University in 1993 with a Bachelor of Science (Summa cum Laude) and obtained a Master of Business Administration (Investment and Finance) from the University of Hull.

**JESSIE LOW MUI CHOO***(Executive Director and Chief Executive Officer)*

Ms. Jessie Low Mui Choo was appointed as Executive Director and Chief Executive Officer on 1 June 2017. Ms. Low is responsible for the overall management, strategic planning and business development of our Group.

Ms. Low commenced her career in Ernst & Young LLP (then known as Ernst & Young) as an audit assistant in 1990. She joined Huan Long Court Chinese Restaurant Pte Ltd as an assistant accountant in 1994 before heading the internal audit department of Pan Malayan Holdings Limited in 1995. In 1996, she founded El-Shaddai Consultants as a sole proprietorship and provided business and system planning advisory services until 2002. She later incorporated JK Corporate Services Pte. Ltd. to undertake the business of El-Shaddai Consultants in 2003. In 2005, she registered Ark Assurance (formerly known as Jessie Karun & Associates) to provide audit and accounting services and her Registered Public Accountant's registration is under Ark Assurance. In 2014, Ms. Low practised as Principal Partner at Ark Alliance LLP until 2017 when she was appointed as the Chief Executive Officer of our Company.

Ms. Low holds a Master of Business Administration from the University of Adelaide. She is an Accredited Tax Practitioner (Income Tax & GST), a Registered Public Accountant, a Fellow of the Institute of Singapore Chartered Accountant ("**ISCA**"), a Member of the Association of Chartered Certified Accountants ("**ACCA**") and an ASEAN Chartered Professional Accountant.

BOARD OF DIRECTORS

MEDINEX LIMITED



LIM TAI TOON

(Lead Independent Non-Executive Director)

Mr. Lim Tai Toon was appointed as Lead Independent Non-Executive Director on 14 November 2018. He is also the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committee.

Mr. Lim began his career with the Singapore Armed Forces (“**SAF**”) in 1979 for 14 years where he held various senior positions, including the post of Army Budget Controller. After leaving the SAF, Mr. Lim has worked for several companies listed on the SGX-ST, serving as Head, Corporate Affairs of Ipco International Limited. From 1994 to 1995, Chairman and Managing Director of Startech Electronics Limited (currently known as Vashion Group Limited) from 2003 to 2006 and Executive Director of Eastgate Technology Ltd from 2006 to 2009. Mr. Lim was executive director of Ark Capital Pte. Ltd., which was Financial Advisor to Renewable Energy Asia Group Ltd. in 2010. He is currently Chairman and Executive Director of Ark Lanka Holdings (Private) Limited and Food Studio (Private) Limited and Chairman and Chief Executive Officer of Food Studio Holdings Pte. Ltd. Mr. Lim was also a nominee for WestLB AG as creditor of First Engineering Limited in 2008 to 2009 and independent director of Afro-Asia Shipping Company (Private) Limited from 2011 to 2013.

Mr. Lim is currently also an independent director of Medtecs International Corporation Limited, a company listed on the SGX-ST, as Lead Independent Director and Chairman of the Audit Committee.

Mr. Lim graduated from the National University of Singapore with a Degree of Bachelor of Accountancy in 1985 and obtained a Master of Business Administration from Brunel University and Master of Business Information Technology from Curtin University of Technology in 1994 and 2004 respectively.



WEE YIAP FOOK SAN

(Independent Non-Executive Director)

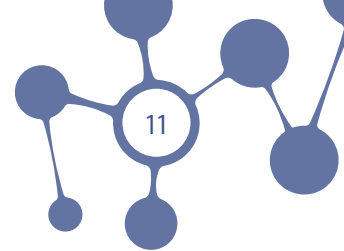
Mr. Wee Yiap Fook San was appointed as Independent Non-Executive Director on 14 November 2018. He is also the Chairman of the Remuneration and Nominating Committee and a member of the Audit Committee.

Mr. Wee started his career with Philips Singapore Private Limited as Engineering Specialist from 1975 to 1978. He then spent approximately three (3) years as a lecturer at Ngee Ann Polytechnic and Singapore Polytechnic, before returning to the private sector as process engineer and production superintendent for Philips Electronics Singapore Pte. Ltd. (“**Philips Singapore**”) at its Tuner Factory from 1982 to 1983, and moved to Philips Singapore’s Video Factory to become purchasing manager from 1984 to 1986, and senior procurement manager from 1986 to 1988. Mr. Wee left Philips Singapore in 1988 to pursue his Master in Business Administration. He established and managed the International Procurement Office of the National Organisation Purchasing Centre between 1990 to 1991 and was regional product manager of Philips Lighting Electronics Pte. Ltd. between 1991 to 1992.

Mr. Wee was appointed as Managing Director of Fow Seng Plastic Pte. Ltd. in 1992 and Anchor Electronics Corporation Pte. Ltd. in 1993 to assist these companies in turning around their business. In 1994, Mr. Wee founded Turnaround Management Services Pte Ltd to provide turnaround services for distressed companies.

With a keen interest in providing education for children, Mr. Wee founded the Learning Point group of companies and the Hua Cheng group of companies in 1994 and 2000 respectively.

Mr. Wee graduated with a Bachelor of Science in Engineering from Coventry University in 1981 and obtained his Master in Business Administration from The University of Warwick in 1990.

**LEE KIM HUNG***(Chief Operating Officer)*

Mr. Lee Kim Hung was appointed as Chief Operating Officer on 1 November 2017. He is currently a director of Nex. In conjunction with the Board, Mr. Lee is responsible for developing and executing long-term strategies of the Group, ensuring effective internal controls and management information systems are in place and managing the operations and marketing functions of the Group.

Mr. Lee started his career in 1993 with the SAF, where he held various positions including Programme Manager and Manager for Strategic Plans and Policies in the Army Department of Training, until he left in 2010. From 2010 to 2011, he was Senior Manager, Business Development & Plans at ST Kinetics Pte. Ltd. (now known as Innosparks Pte. Ltd.). From 2011 to 2013, he was Chief Executive Officer of the Singapore Badminton Association. Since 2013, he has been involved in the healthcare business, being Chief Operating Officer and thereafter Chief Executive Officer of Northeast Health International Pte. Ltd. Mr. Lee became the Chief Executive Officer of Nex in August 2017.

Mr. Lee holds a Master of Business Administration from Nanyang Technological University and a Masters of Science from the University of Central Florida. He obtained his Bachelors of Engineering (First Class Honours in Aeronautical Engineering) from the University of London in 1993. He was awarded the SAF Merit Scholarship by the SAF in 1990.

**LOW SIAM KIANG***(Financial Controller)*

Ms. Low Siam Kiang was appointed as Financial Controller on 1 July 2017. She is currently a director of the Group's subsidiaries, Medinex Corporate Services Pte. Ltd., Medinex Healthcare Pte. Ltd., AccTax Management Consultancy Private Limited ("**AccTax**"), Patceljon Professional Services Pte Ltd ("**PPS**"), Jo-L Consultus Pte. Ltd. ("**Jo-L**") and Sen Med Holdings Pte. Ltd. ("**SenMed**"). As Financial Controller, Ms. Low oversees the operations of the finance team of the Group and ensures that all financial processes, systems and policies are in place and adhered to.

Ms. Low has more than 20 years of experience in accounting and finance, having begun her career in PFS Pte Ltd, an entity in the Prima group of companies, as an accounts executive. In 2000, she was transferred to Prima Modern Machinery Pte Ltd as a senior accounts executive until 2006, when she joined Sun Express Logistics Pte Ltd as accounts supervisor and was in charge of the accounts department. In 2010, she joined the Company as accounts manager, and has been in charge of the finance and accounting matters of the Group since.

Ms. Low is an Accredited Tax Practitioner (Income Tax), a Chartered Accountant of ISCA and an Affiliate Member of ACCA. She obtained her Diploma in Accountancy from Ngee Ann Polytechnic.

KEY MANAGEMENT

MEDINEX LIMITED



CHAI YEE HOI

(Managing Director)

Mr. Chai Yee Hoi was appointed as Managing Director of AccTax with effect from 5 January 2018. He is currently a director of AccTax and oversees the operations of AccTax.

Mr. Chai started his career as an assistant examiner at the Inland Revenue Department of the Ministry of Finance in 1986. Between 1988 to 1991, he worked as audit assistant and finance and administrative executive in various audit firms and small medium enterprises. In 1993, he joined the Inland Revenue Authority of Singapore (IRAS) as Senior Tax Auditor, where he led a team of tax audit officers to perform audits of organisations in various industries. He subsequently joined Ernst & Young LLP as Good and Services Tax ("**GST**") Manager in 2000. In 2005, he was GST Consultant at Robin Chia & Co., where he provided GST consultancy services to various companies and conducted seminars and workshops on GST and related matters in Singapore and Malaysia. Mr. Chai founded GST Academy and AccTax in 2006.

Mr. Chai is an Accredited Tax Advisor (Income Tax & GST), a non-practising Member of the ISCA and a Fellow of ACCA of the United Kingdom. He obtained his Diploma in Business Studies from Ngee Ann Polytechnic.



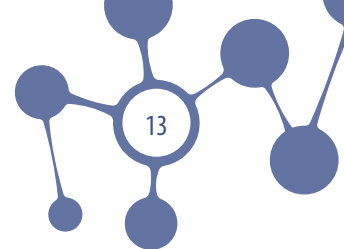
NG GUAN KIAT

(Managing Director)

Mr. Ng Guan Kiat was appointed as Managing Director of PPS and Jo-L with effect from 15 June 2018. He is currently a director of PPS and Jo-L and oversees the operations of PPS and Jo-L.

Mr. Ng has more than 25 years of accounting experience, having started his career at Communications Systems Engineering Pte Ltd (now known as Radiomarine Systems Pte Ltd) as an accountant in 1992. He left in 1995 to take up the position of accountant and financial analyst at Jaya Holdings Limited until 1997. From 1997 to 1998, he was Finance Manager at Kemayan Project Pte Ltd, a subsidiary of Kemayan Corporation Berhad. Thereafter, he joined Hutchison Intrapage Pte Ltd (now known as Intrapage Pte Ltd), a member of the Hutchison telecommunications group, as Finance Manager from 1998 to 2001. Mr. Ng founded the business support services business of PPS in 2002 and Jo-L in 2012.

Mr. Ng holds a Master in Business Administration (Investment and Finance) from the University of Hull. He obtained his Bachelor of Business from the University of Tasmania in 1992. Mr. Ng is a Chartered Accountant of ISCA and a Certified Practising Accountant of CPA Australia.



INTRODUCTION

Medinex Limited (“**Medinex**” or the “**Company**”) and its subsidiaries (the “**Group**”) are committed to maintaining a high standard of corporate governance to protect shareholders’ interests and enhance shareholders’ value. The Group adopts practices based on the Code of Corporate Governance 2012 (the “**Code**”) issued on 2 May 2012 and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015. This report describes the Group’s corporate governance practices that were in place for the financial year ended 31 December 2018 (“**FY2018**”), with specific reference made to the principles and guidelines as set out in the Code and SGX-ST Listing Manual Section B: Rules of the Catalist (the “**Catalist Listing Manual**”) where applicable except where otherwise stated.

BOARD MATTERS

Principle 1: Board’s Conduct of its Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The primary function of the Board of Directors (the “**Board**”) is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board has the overall responsibility for reviewing the strategic and performance objectives, financial plans and performance reviews, key operational initiatives, major funding and investment proposals, and corporate governance practices.

In addition, the principal duties of the Board include:

- Approve the corporate direction and strategy of the Group and monitor the performance of the management;
- Review the adequacy and integrity of the Company’s internal controls, risk management systems, and financial information reporting system;
- Approve the nomination and appointment of key managerial personnel;
- Approve the annual budget, major funding proposals and investment proposals, and ensuring the necessary financial and human resources are in place for the Company to meet its objectives;
- Identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
- Review the financial performance and necessary reporting compliance;
- Set company values and standards (including ethical standards) and ensure that obligations to shareholders and other stakeholders are understood and met;
- Assume responsibility for corporate governance; and
- Consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

CORPORATE GOVERNANCE REPORT

MEDINEX LIMITED

For the financial year ended 31 December 2018

Delegation of Authority on Certain Board Matters

The Board has delegated certain functions to various board committees, namely the Audit Committee (“**AC**”), Nominating Committee (“**NC**”), and Remuneration Committee (“**RC**”) (collectively the “**Board Committees**”). Each of the various Board Committees has its own written terms of reference and whose actions are reported to and monitored by the Board. The Board accepts that while these various Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Board has delegated the day-to-day operations to the management while reserving key matters for Board approval. Key functions include approving the consolidated financial statements for the Group, conflict of interest checks for directors, disposal of assets, strategic planning and material acquisitions, share issuances, dividends, and matters which require Board approval as specified under the Company’s Interested Person Transaction Guidelines and Review Procedures.

The Board’s approval is required for transactions or matters such as major investments, corporate restructuring, mergers and acquisitions, material acquisitions or disposal of assets, the release of the Group’s financial results announcements, interested person transactions of a material nature and declaration of dividends.

Management will conduct briefings and orientation programmes to familiarise newly appointed Directors and existing Directors with the various businesses, operations and processes of the Group.

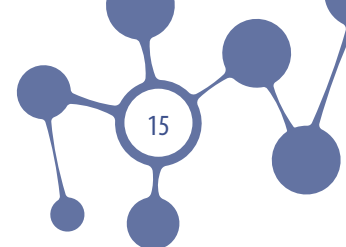
Meetings of the Board and Board Committees

The Board convenes for scheduled meetings and ad-hoc meetings will be arranged when required. If directors are unable to attend Board meetings physically, such meetings may be conducted via telephone conference, video conference, audio visual or by means of a similar communication equipment.

As the Company was only listed on 7 December 2018, there was only 1 Audit Committee meeting held in FY2018 and the attendance of Directors at this meeting are as follows:–

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Meetings held during FY2018	0	1	0	0
Name of Director	Number of Meetings Attended			
Mr. Tan Lee Meng	0	1	0	0
Ms. Jessie Low Mui Choo	0	1*	0	0
Mr. Lim Tai Toon	0	1	0	0
Mr. Wee Yiap Fook San	0	0	0	0

* Executive Director was invited to sit in the AC meeting



Training of Directors

The Board ensures that incoming new Directors are familiarised with the Group's businesses and corporate governance practices upon their appointment, to facilitate the effective discharge of their duties. Upon appointment, the incoming new Director will receive a formal letter of appointment setting out his/her duties. All newly appointed Directors will undergo an orientation programme where the Director would be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. To get a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational facilities and meet with key management personnel.

The Company will set aside an on-going budget for all Directors to receive relevant training. Board members are encouraged to attend seminars and receive training in connection with their duties as directors in areas such as accounting and legal knowledge, particularly on latest developments to relevant laws, regulations, accounting standards and changing commercial risks to enable them to make well-informed decisions and to ensure that the directors are competent in carrying out their expected roles and responsibilities.

First time Directors should have training in areas such as accounting, legal and the industries which the Group operates in. Directors are constantly kept abreast of developments in regulatory, legal, and accounting frameworks that are of relevance to the Group through participation in the relevant training courses, seminars and workshops.

The Directors are also encouraged to attend the relevant courses and programs from the Singapore Institute of Directors to be acquainted with the role and responsibilities of a director in the context of a listed company. As part of the listing process of the Company, the Management had conducted briefings and orientation programmes to familiarise newly appointed Directors and existing Directors with the various businesses, operations and processes of the Group.

As part of the listing process of the Company, Ms. Jessie Low Mui Choo and Mr. Wee Yiap Fook San, who do not have prior experience as a director of a listed company in Singapore, have attended LED 1 – Listed Entity Director Essentials organised by the Singapore Institute of Directors in FY2018.

Save as disclosed, as the Company was listed on Catalist only on 7 December 2018, there were no trainings or briefings attended by the Directors between 7 December 2018 to 31 December 2018.

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board has four (4) members and comprises the following:

Composition of the Board

Name of Director

Mr. Tan Lee Meng
Ms. Jessie Low Mui Choo
Mr. Lim Tai Toon
Mr. Wee Yiap Fook San

Designation

Non-executive Chairman
Executive Director and Chief Executive Officer
Lead Independent Non-executive Director
Independent Non-executive Director

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Taking into consideration the size of the current business operations of the Group, the Board considers its current Board size as appropriate.

The NC will review the size and composition of the Board and Board Committees and the skills and core competencies of its members to ensure an appropriate balance and diversity of skills, experience, gender and knowledge of the Company. The Board considers that its Directors possess the necessary competencies and knowledge to lead and govern the Group effectively.

The Board will encourage active participation and engagement among the Directors for dynamic and stimulating exchanges of views and opinions at coming Board Committee and Board meetings. The Directors make decisions using their collective wisdom and exercise their individual opinions whilst at all times acting in the best interest of the Group. No individual or group within the Board is supposed to dominate or is able to dominate the discussion process and decision-making. Where necessary, the Non-executive Directors will (i) constructively challenge and help develop proposals on strategy, (ii) review the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance, and (iii) meet and discuss on the Group's affairs without the presence of management.

On an annual basis, the Directors are each required to provide information on their current shareholding interests, areas of conflicts (if any), directorship in other companies; and declare their independence (for Independent Directors) and time commitment towards discharging of their responsibilities. The NC will determine the independence of each Director based on the definition of independence set out in the Code and Catalyst Listing Manual. For FY2018, the NC is satisfied with the independent status of the Independent Directors and the independent element on the Board is maintained. Presently, none of the Independent Directors has served for more than nine (9) years.

Principle 3: Chairman and Chief Executive Officer

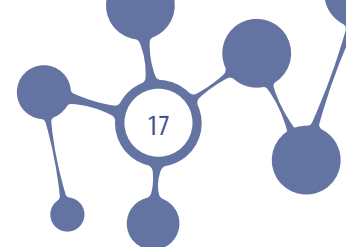
There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Chairman and the Chief Executive Officer ("CEO") positions are held by separate individuals. This is so that an appropriate balance of power and authority, with clear divisions of responsibilities and accountability, can be attained. This segregation of roles also facilitates a healthy, open exchange of views and opinions between the Board and management in their deliberation of the business, strategic plans and key activities of the Company. The Chairman is not related to the CEO.

The Chairman bears the primary responsibility for the workings of the Board, ensuring its effective function, sets its agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. He promotes a culture of openness and debate at the Board. He also ensures that the Board meetings are held whenever necessary; the Directors receive accurate, clear and timely information, encourages constructive relations between management and the Board, as well as between Executive, Non-executive and Independent Directors and facilitates the effective contribution of Non-executive and Independent Directors; and ensures effective communication with shareholders. The Chairman also plays an instrumental role in charting directions and strategies and providing the Group with strong leadership and vision. He is responsible for promoting high standards of corporate governance.

The CEO is primarily responsible for the day-to-day management of the operations and performance of the Group; and reports to the Board on the Group's operations and performance. She has overall responsibility for the organisational effectiveness and the implementation of policies and decisions of the Board. The CEO works closely with the Chairman on formulating the Group's operational strategies and matters to be tabled at the Board level.

The presence of a strong, independent and active participation of the Independent Directors ensures the proper functioning of the Board and good check and balance. Their performance and appointment to the Board is reviewed by the NC and their remuneration packages are reviewed by the RC periodically. As such, the Board believes that there are adequate safety measures in place against an uneven concentration of power and authority, and the Chairman and CEO do not have unfettered powers of decisions.



Mr. Lim Tai Toon, the Lead Independent Non-executive Director, is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman, the CEO or the Financial Controller has failed to resolve or is inappropriate.

As the Company was listed on Catalist only on 7 December 2018, the Independent Directors have not met without the presence of the other directors in FY2018.

Principle 4: Board Membership

Nominating Committee

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises the following three (3) members, two (2) of whom are Independent Non-executive Directors:

Mr. Wee Yiap Fook San	Independent Non-executive Director	Chairman
Mr. Lim Tai Toon	Lead Independent Non-executive Director	Member
Mr. Tan Lee Meng	Non-executive Chairman	Member

The NC is guided by the terms of reference approved by the Board and sets out the duties and responsibilities of this committee.

The NC's principal functions are to:

- Review and approve any new employment of related persons to directors and proposed terms of their employment;
- Review of Board succession plans for directors, in particular the Chairman and CEO;
- Development of a process for evaluation of the performance of the Board, the Board committees and Directors;
- Review of training and professional development programs for the Board;
- Recommend to the Board on Board appointments, including re-nominations of existing Directors for re-election in accordance with the Company's Constitution, taking into account the Director's contribution and performance;
- Review the adequacy of the size of the Board, taking into consideration the scope and nature of operations of the Company. The Board must comprise members with an appropriate balance and diversity of skills, experience, gender and knowledge of the Company;
- Assess whether a Director is able to and has adequately carried out his duties as a director of the Company in particular where the director concerned has multiple Board representations; and
- Determination on an annual basis, whether a director is independent, bearing in mind the relevant provisions of the Code and all other salient factors.

In its annual review, the NC evaluates and affirms the independent status of the Directors having considered the guidelines set out in the Code and Catalist Listing Manual. The NC has determined the following Non-executive Directors of the Company to be independent:

Mr. Wee Yiap Fook San
Mr. Lim Tai Toon

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In cases where a director has multiple Board representations, the NC also assesses whether such Director has been adequately carrying out his duties as a Director of the Company. To address competing time commitments when Directors serve on multiple Boards, the Board will set a maximum limit of directorships that a Director may hold concurrently for listed companies. Although some of the Directors have multiple Board representations, the NC has considered that each of the Directors does not currently hold more than two (2) directorships in listed companies (including the Company) and is satisfied that each of them is able to and has adequately carried out his duties as a Director of the Company for FY2018, given the sufficient time and effort taken to discharge their duties in the best interests of the Group. The considerations in assessing the capacity of Directors include expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity, geographical location of Directors, size and composition of the Board.

The Company's Constitution provides that one-third of the directors (or, if their number is not a multiple of three, the number nearest to but not less than one third) shall retire from office and are subject to re-election at every annual general meeting ("**AGM**"). All Directors are required to retire from office at least once in every three (3) years. Newly appointed directors must also submit themselves for election at the next AGM immediately following their appointment. The shareholders approve the election and re-election of Board members at the AGM.

Description of the Election or Re-election Process of Incumbent Directors

The NC would assess the performance of the Director in accordance with the performance criteria set by the Board and also consider the current needs of the Board. Subject to the NC's satisfactory assessment, the NC would recommend the proposed election or re-election of the Director to the Board for its consideration and approval. Directors subject to retirement pursuant to the Company's Constitution will give his consent to seek for re-election and whom being eligible, will be recommended by the Board for re-election at the forthcoming AGM of the Company.

The NC has assessed and is satisfied that Mr. Tan Lee Meng, Mr. Wee Yiap Fook San and Mr. Lim Tai Toon are properly qualified for re-election by virtue of their skills, experience and their contribution of guidance and time to the Board's deliberations. As such, the NC has recommended to the Board that Mr. Tan Lee Meng, Mr. Wee Yiap Fook San and Mr. Lim Tai Toon, who are due to retire in accordance with the Company's Constitution, be nominated for re-election at the forthcoming AGM.

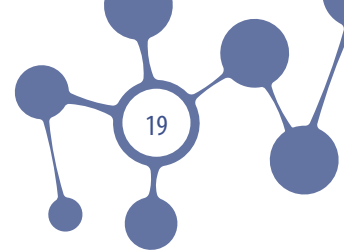
Mr. Tan Lee Meng will, upon re-election as a Director, remain as Chairman of the Board, a member of the AC, RC and NC. He will be considered non-independent for the purpose of Rule 704(7) of the Catalist Listing Manual.

Mr. Wee Yiap Fook San will, upon re-election as a Director, remain as Chairman of the RC and NC and a member of the AC. He will be considered independent for the purpose of Rule 704(7) of the Catalist Listing Manual.

Mr. Lim Tai Toon will, upon re-election as a Director, remain as Chairman of the AC, and a member of the RC and NC. He will be considered independent for the purpose of Rule 704(7) of the Catalist Listing Manual.

Each member of the NC has abstained from voting on any resolution and making any recommendation and/or participating in respect of matters in which he has an interest.

The Company currently does not have any alternate directors.



Description of the Selection and Nominating Process of New Directors

The search and nomination process for new directors involves with a review of the existing size and composition of the Board. In such reviews, the NC endeavours to ensure that the size of the Board is adequate and not unwieldy to interfere with efficiency in decision-making; and the composition of the Board is appropriately diverse with views and opinions for discussion and decision-making. The NC considers factors such as the ability of the potential candidate to contribute to discussions, deliberations and activities of the Board. In addition, the relevant experience, qualification, competence and attributes of the prospective candidates are evaluated in considering their appointment to the Board. In doing so, where necessary and appropriate, the NC may rely on its networking contacts and/or recommendations from fellow Board members to assist with identifying and short listing of candidates. Subsequent to the interview of the shortlisted candidates, NC would recommend the selected candidate to the Board for consideration and approval.

Key Information Regarding Directors

Key information of the Board members is set out in the "Board of Directors" section of this Annual Report.

Principle 5: Board Performance

There should be formal assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

As the Company was listed on Catalist only on 7 December 2018, the NC is also in the midst of developing a process for performance evaluation of the Board, the Board's Committees and individual Directors for on-going use.

Principle 6: Access to Information

In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Management recognises the importance of ensuring the flow of information to the Directors on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities. All Board and Board Committees papers are distributed to Directors in advance to allow sufficient time for Directors to prepare for the meetings.

Management's proposals to the Board for approval provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations.

The Company Secretaries are responsible for, among other things, ensuring that Board procedures are observed and assisting in ensuring that the Company's Constitution, relevant rules and regulations, including requirements of the Companies Act, Chapter 50 of Singapore and Catalist Listing Manual, are complied with.

The Company Secretary and/or her representative attend and prepare minutes for all Board meetings. As secretary for all Board Committees, the Company Secretary assists in ensuring coordination and liaison between the Board, the Board Committees and management. The Company Secretary assists the Chairman of the Board, the Chairman of Board Committees and management in the development of the agendas for the various Board and Board Committees meetings. The appointment and the removal of the Company Secretaries are subject to the Board's approval. The Directors, whether collectively or individually, may, at the expense of the Company, seek and obtain independent professional advice necessary to discharge their duties effectively.

The Directors have separate and independent access to Management and the Company Secretaries.

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REMUNERATION MATTERS

Principle 7: Policy for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Remuneration Committee

The RC comprises the following three (3) members, two (2) of whom are independent non-executive directors:

Mr. Wee Yiap Fook San	Independent Non-executive Director	Chairman
Mr. Lim Tai Toon	Lead Independent Non-executive Director	Member
Mr. Tan Lee Meng	Non-executive Chairman	Member

The RC is responsible for ensuring a formal and transparent procedure for developing policies on executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No member of the RC is involved in deliberations and voting on any resolution in respect of any remuneration, compensation, options, or any form of benefits to be granted to him or that of employees related to him.

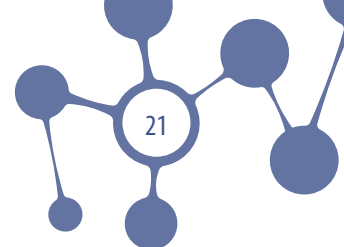
The members of the RC carried out their duties in accordance with the terms of reference which include the following key terms:

- Review and recommend to the Board for endorsement, a framework of remuneration for the Board and key management personnel. The framework covers all aspect of remuneration, including but not limited to, director's fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits in kind;
- Review and recommend to the Board, the specific remuneration packages for each director as well as for the key management personnel; and
- Review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.
- Consult professional consultancy firms where necessary in determining remuneration packages.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The remuneration of the Company's Directors and key management personnel has been formulated to attract, retain and motivate these executives to run the Company successfully. The level and structure of remuneration are aligned with the long-term interests and risk policies of the Company.



The Company adopts a remuneration policy for employees comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual. The remuneration policy is aligned with the interests of the shareholders and promotes long-term success of the Group. No remuneration consultants were engaged by the Company in FY2018.

The RC reviews the service contracts of the Company's executive directors and key management personnel. The compensation commitments in service contracts are reviewed periodically or as and when necessary.

The Company has put in place two shares plans namely "Medinex Limited Performance Share Plan" ("**PSP**") and "Medinex Limited Employee Share Option Scheme" ("**ESOS**") (collectively the "**Share Plans**").

PSP is a compensation scheme that promotes higher performance goals and recognises exceptional achievement. PSP is based on the principle of pay-for-performance and is designed to enable the Company to reward, retain and motivate employees of the Group to achieve superior performance. The purpose of the PSP is to give the Company greater flexibility to align the interest of employees of the Group, especially key executives with the interest of shareholders.

ESOS will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. ESOS is designed to primary reward and retain employees whose services are vital to the Company's success.

The Share Plans were adopted on 9 November 2018 for a period of ten (10) years and will expire on 9 November 2028. Further details of the Share Plans are set out in the Company's offer document dated 30 November 2018.

The RC also ensures that the remuneration of the non-executive directors is appropriate to their level of contribution taking into account factors such as effort and time spent, and their responsibilities. Non-executive directors receive a basic fee for their services and are eligible to participate in the Share Plans. The RC ensures that the non-executive directors should not be over-compensated to the extent that their independence may be compromised.

Principle 9: Disclosure on Remuneration

Every Company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the Company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

Remuneration of Directors and Key Management Personnel

Although the Code recommends full disclosure in aggregate to the nearest thousand dollars of the total remuneration paid to each individual director and the CEO on a named basis, the Board is of the opinion that it is not in the best interest of the Company to disclose the exact details of their remuneration due to the competitiveness of the industry for key talent.

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The remuneration of directors and key management personnel (who are not also directors) of the Group, is set out below:

Directors' Remuneration

Directors	Fee %	Salary ⁽¹⁾ %	Bonus ⁽¹⁾ %	Other Benefits ⁽²⁾ %	Total %
S\$250,001 and S\$500,000					
Ms. Jessie Low Mui Choo	–	93.7%	–	6.3%	100.0%
Below S\$250,000					
Mr. Tan Lee Meng	100.0%	–	–	–	100.0%
Mr. Lim Tai Toon	100.0%	–	–	–	100.0%
Mr. Wee Yiap Fook San	100.0%	–	–	–	100.0%

Notes:

- (1) Salary and bonus include employer's contributions to CPF.
 (2) Other benefits refer to benefits-in-kind such as car, housing allowances, club membership etc. made available to directors as appropriate.

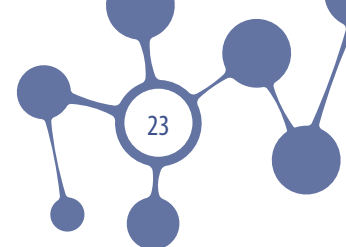
Top 5 Key Management Personnel's Remuneration

The Company has less than five (5) top key management personnel. The remuneration of the top four (4) key management personnel of the Company is as follows:

Key Management Personnel	Fee %	Salary ⁽¹⁾ %	Bonus ⁽¹⁾ %	Other Benefits ⁽²⁾ %	Total %
Below S\$250,000					
Mr. Lee Kim Hung	–	86.5%	11.3%	2.2%	100.0%
Ms. Low Siam Kiang	1.0%	71.0%	25.5%	2.5%	100.0%
Mr. Ng Guan Kiat	–	80.6%	19.4%	–	100.0%
Mr. Chai Yee Hoi	–	78.4%	7.4%	14.2%	100.0%

Notes:

- (1) Salary and bonus include employer's contributions to CPF.
 (2) Other benefits refer to benefits-in-kind such as car, housing allowances, club membership etc. made available to key management personnel as appropriate.

Employee(s) who is/are immediate family of a director, the CEO and substantial shareholder of the Company

The remuneration of the employee(s) who is/are immediate family of a director, the CEO and substantial shareholder of the Company is as follows:

Name	Fee %	Salary ⁽¹⁾ %	Bonus ⁽¹⁾ %	Other Benefits ⁽²⁾ %	Total %
S\$100,001 to S\$150,000					
Mr. Karunanithi S/O Letchumanan ⁽³⁾	–	71.7%	25.4%	2.9%	100.0%

Notes:

- (1) Salary and bonus include employer's contributions to CPF.
- (2) Other benefits refer to benefits-in-kind such as car, housing allowances, club membership etc. made available to directors as appropriate.
- (3) Spouse of Jessie Low Mui Choo, the Executive Director and Chief Executive officer of the Company.

The aggregate total remuneration for the top four (4) key management personnel (who are not Directors or CEO) is approximately S\$488,158 for FY2018.

The Company did not grant any termination, retirement and post-employment benefits to the Directors, the CEO and the rest of the key management personnel during FY2018.

Directors' Fees

The fees paid/payable to independent directors take into account factors such as effort and time spent, and responsibilities of these directors. In this regard, the Company will be seeking shareholders' approval at the AGM of the Company, for the payment of directors' fees proposed for financial year ended 2018 amounting to S\$8,125. The directors' fees are pro-rated according to their appointment and retirement date for the year, where applicable. No Director decides his own fees.

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ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Group recognises the importance of providing the Board with accurate and relevant information on a timely basis. Management provides the Board with management accounts, operations reviews and related explanations together with the financial statements on a half yearly basis and as and when the Board may require from time to time. The AC reviews the half yearly and full year financial statements and recommends to the Board for approval.

The Board reviews and approves the interim and full year financial statements before its release. Results for the half yearly and full financial year are released to shareholders within the timeframe stipulated under Rule 705 of the Catalist Listing Manual. In presenting the annual and half yearly financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Group's performance, position and prospects. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

The Board also provides negative assurance confirmation to shareholders on the integrity of the half yearly financial statements.

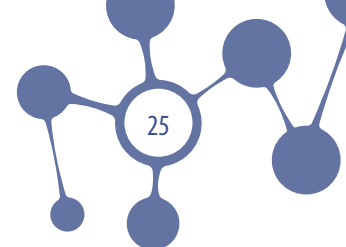
Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Management is responsible to the Board for the design, implementation, and monitoring of the Group's risk management and internal control systems and to provide the Board with a basis to determine the Group's level of risk tolerance and risk policies.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and reviews performed by management, AC, and the Board, the Board with the concurrence of the AC is of the opinion that the Group's internal controls (including financial, operational, compliance risks, and information technology controls) and risk management systems were adequate and effective as at 31 December 2018. This is in turn supported by assurance from the CEO and the Financial Controller that for the past 12 months, (i) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (ii) the Group's risk management and internal control systems are effective.

The Board acknowledges that it is responsible for maintaining a sound system of internal control and risk management, but recognises that no cost effective internal control system and risk management will preclude all errors and irregularities. Internal controls and risk management can provide only reasonable and not absolute assurance against material misstatement, losses, human errors, fraud or other irregularities.

**Principle 12: Audit Committee**

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises the following three (3) members, all of whom are non-executive directors:

Mr. Lim Tai Toon	Lead Independent Non-executive Director	Chairman
Mr. Wee Yiap Fook San	Independent Non-executive Director	Member
Mr. Tan Lee Meng	Non-executive Chairman	Member

None of the AC members were previous partners or directors of the Company's external audit firm.

The AC is guided by the terms of reference approved by the Board. The principal duties, responsibilities and activities of the AC are to:

- assisting the Board in the discharge of its responsibilities on financial reporting matters;
- reviewing with the internal and external auditors, the audit plans, scope of work, evaluation of the system of internal accounting controls, management letter and management's response, and results complied by the Group's internal and external auditors;
- reviewing the half-yearly and annual financial statements and results announcements (including casting an oversight on the guaranteed profits provided to the Company and the related payments to the Company) before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Listing Manual and any other statutory or regulatory requirements;
- reviewing significant financial reporting issues and judgments with the Financial Controller and the external auditors so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before their submission to the Board;
- reviewing the effectiveness and adequacy of the Group's internal control and procedures, including financial, operational, compliance and information technology controls, and risk management policies and systems established by the management, and ensure coordination between the Group's internal and external auditors, and management;
- reviewing the assistance given by the management to the auditors and discuss concern and problems, if any, arising from the audit, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
- reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit functions, and assessing the independence and objectivity of the external auditors;
- reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;
- making recommendation to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

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- reviewing and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems with the Financial Controller and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;
- reviewing the nature and extent of non-audit services provided by the external auditors;
- reviewing any transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Listing Manual;
- reviewing any potential conflicts of interest;
- reviewing and approve any hedging policies and instruments to be implemented by the Group;
- undertaking such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, and ensure that the Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and
- generally undertaking such other functions and duties as may be required by law or the Catalist Listing Manual, and by such amendments made thereto from time to time.

The AC also meets with internal and external auditors without the presence of the management at least once a year to obtain feedback on the competency and adequacy of the finance function and to ascertain if there is any material weakness in control effectiveness in the Group's financial reporting and operational systems. Besides scheduled meetings, the internal and external auditors as well as the AC Chairman have direct and open access channels of communication.

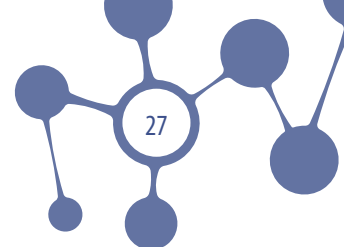
During the course of review of the financial statements for FY2018, the AC discussed with management and the external auditor on the significant issues that were brought to AC's attention. The material issues which the external auditor assessed to be most significant in its audit of the financial statements for the year under review have been highlighted in the key audit matters section of Independent Auditors' Report.

The AC reviewed the work performed by the management and made enquiries relevant to the key audit matters. In addition, the AC also reviewed and discussed the findings presented and related work performed by the external auditor. The AC was satisfied that these material issues have been properly addressed and appropriately adopted and disclosed in the financial statements.

The AC reviews the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them. The total fees paid in respect of audit and non-audit to the external auditors, BDO LLP for FY2018 are as stated below.

External Auditor Fee for FY2018	S\$	% of total audit fees
Total audit fees	85,000	30.9
Total non-audit fees	–	–
Total IPO-related fees	190,000	69.1
Total fees paid	275,000	100.0

The AC has and is satisfied that these non-audit services would not affect the independence and objectivity of the external auditors.



The Company and the Group have complied with Rule 712 and Rule 715 of the Catalist Listing Manual in the appointment of its auditors. The AC recommends to the Board the reappointment of Messrs BDO LLP as the external auditors of the Company at the forthcoming AGM.

The AC also conducts reviews of all interested person transactions (“IPT”) to ensure that all IPTs of the Company are properly documented. Accordingly, the AC is satisfied that all material IPT for FY2018 which warrant disclosure or further discussion have been properly reviewed and announced, where applicable; and there are no improprieties in this area.

The AC is kept abreast by the management, Company Secretaries and the external auditors of changes to accounting standards, Catalist Listing Manual and other regulations which could have an impact on the Group’s business and financial statements.

The Company has adopted a whistleblowing policy which sets the framework to encourage the reporting in good faith of serious concerns or escalate serious matters on a confidential basis without fear of reprisal, dismissal, or discriminatory treatment. The whistleblowing policy provides procedures to validate concerns and for investigation to be carried out independently. The whistleblowing policy has been circulated to all employees of the Group.

Principle 13: Internal Audit

The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognises that it has responsibility to maintain a system of internal control processes to safeguard shareholders’ investments and the Group’s business and assets. Periodic review and testing of the system of internal controls is an important exercise to ensure that the control mechanism in place is working in the intended manner for which it is designed for. While the importance of working internal controls cannot be discounted, the Board also recognised that the size of the Group may not warrant and it will not be a cost-effective or efficient solution to have an internal audit function and team within the organisational setup.

Accordingly, the Company has outsourced its internal audit function to RSM Risk Advisory Pte Ltd. The internal auditor carries out its function in accordance to the standards set by the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC ensures that management provides good support to the internal auditors and provides them with access to documents, records, properties, and personnel when requested in order for the internal auditors to carry out their function accordingly.

The internal audit reports, including findings and recommendations, directly to the AC Chairman for review and administratively to the CEO. Key audit findings and recommendations are tabled for discussion at the AC meetings, and the timeliness and progress of implementing the corrective or improvement actions are measured and reported.

The AC will review the adequacy and effectiveness of the internal audit function on an annual basis.

The AC has reviewed the adequacy and effectiveness of the internal audit function and is satisfied that it is independent, effective, adequately resourced and has appropriate standing within the Company in FY2018.

CORPORATE GOVERNANCE REPORT

MEDINEX LIMITED

For the financial year ended 31 December 2018

SHAREHOLDER RIGHTS

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis. The Company recognises that the release of timely and relevant information is central to good corporate governance and enables shareholders to make informed decisions in respect of their investments in the Company. All shareholders are entitled to attend the AGM and are accorded the opportunity to participate effectively in the AGM. The Company's Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote in the shareholders' place at the AGM. Indirect investors who hold the Company's shares through a nominee company or custodian bank or through CPF/SRS agent bank may attend and vote at each AGM. Pursuant to Section 181(1C) of the Companies Act, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in places an investor relations policy to promote regular, effective and fair communication with shareholders.

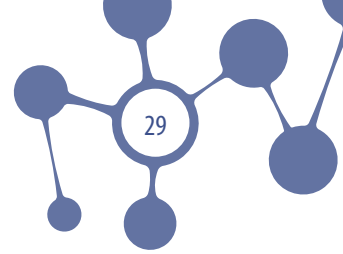
The Group is committed to maintaining high standards of corporate disclosure and transparency. The Group values dialogue sessions with its shareholders. The Group believes in regular, effective, and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

Material information is disclosed in an adequate, accurate, and timely manner via SGXNET, press release, and corporate website. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGXNET.

The Company does not have a fixed dividend policy. However, the Directors intend to recommend and distribute dividends of no less than 70% of the Group's net profit after tax attributable to Shareholders for FY2018, FY2019 and FY2020 as stated in the Offer Document. The Company may declare an annual dividend with the approval of the shareholders in a general meeting, but the amount of such dividend shall not exceed the amount recommended by the Board. The Board may also declare an interim dividend without the approval of the shareholders. For FY2018, the Company is recommending a final dividend of 0.84 Singapore cents to be approved at the forthcoming AGM.

The Company's website has an investor page, which includes all the announcements made via SGXNET for easy access. The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders.

All shareholders are encouraged to contact the Company with any queries or concerns. The contact details of the Company can be found easily on the corporate website. The Annual General Meetings are a good platform for shareholders to engage with the Board and management. During the meetings, the shareholders will be invited and are encouraged to ask questions on the resolutions tabled and to express their views. At the same time, they will be updated on the Group's corporate achievements and financial performance.

**Principle 16: Conduct of Shareholder Meetings**

Companies should engage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

The Board welcomes the view of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis. The Board encourages active shareholder participation in shareholders general meetings and believes that general meetings are an opportune forum and suitable platform for shareholders and the Board and management of the Company to engage in active exchange of ideas.

The Company sends its Annual Report and Notice of AGM to all shareholders. The Notice will also be published in local newspapers and will be made available on SGXNET and the Company's website.

The Company provides for separate resolutions at general meetings on each distinct issue. All the resolutions at the general meetings are single item resolutions. Detailed information on each item in the AGM agenda is in the explanatory notes to the Notice of AGM in the Annual Report.

At its AGM, shareholders have the opportunity to raise questions to the Board and management, and clarify with them any issues they may have relating to the resolutions to be passed. Board members and management are required to attend shareholders' meetings and are on hand to address any questions raised. The Company's external auditors are also present to address shareholders' queries on the conduct of audit and the preparation and content of the auditors' report, where necessary and appropriate. All minutes of general meetings, including the questions raised by shareholders in relation to the meeting agenda and the responses from the Board and/or management, will be made available to shareholders upon their request.

The Company Secretaries or their representative prepares minutes of shareholders' meetings which captures the essence of the comments and queries from shareholders and responses to them from the Board and management.

The Company will conduct a poll voting for all the proposed resolutions at the AGM for greater transparency in the voting process. The total number of votes cast for or against the resolutions will also be announced after the meeting via SGXNET.

DEALINGS IN SECURITIES

Catalist Rule 1204(19)

In line with Rule 1204(19) of the Catalist Listing Manual regarding the dealings in securities, the Company issues a half yearly circular to its directors, officers and employees reminding them of the restrictions on dealings in listed securities of the Group during the period commencing one (1) month before announcement of the Company's half year and full year results as the case may be, and ending on the date of the announcement of the relevant results. Directors, officers and employees are also directed to refrain from dealing in listed securities of the Group at any time they are in possession of unpublished price sensitive information, or on short-term considerations.

MATERIAL CONTRACTS

Save for those disclosed under the section "Interested Person Transactions", there were no material contracts entered into by the Company and its subsidiaries involving the interests of its CEO, directors or controlling shareholders.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

CORPORATE GOVERNANCE REPORT

MEDINEX LIMITED

For the financial year ended 31 December 2018

The Company does not have any prior shareholders' mandate pursuant to Rule 920. There were IPTs conducted during the financial year with the details of these IPTs set out as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
JK Group Services Pte Ltd ⁽¹⁾	S\$121,000	–

Note:

- (1) Rental of the entire unit at 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098 from JK Group Services Pte Ltd, which is 90% owned by Mr. Karunanithi S/O Letchumanan (spouse of Ms. Jessie Low Mui Choo, the Executive Director and Chief Executive Officer of the Company) and 10% owned by Ms. Jessie Low Mui Choo.

NON-SPONSOR FEES

For FY2018, the Company paid to its sponsor, Novus Corporate Finance Pte. Ltd. non-sponsor fees of S\$7,362.

USE OF PROCEEDS

The Company refers to the net cash proceeds amounting to S\$5.28 million (excluding listing expenses of approximately S\$1.22 million) raised from the IPO on the Catalist of SGX-ST on 7 December 2018.

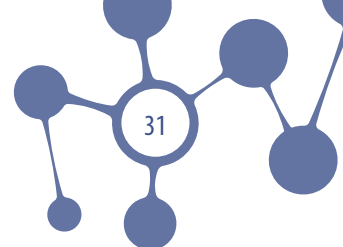
As at the date of this announcement, the status on the use of the IPO net proceeds is as follows:

Use of IPO net proceeds	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Expand our Group's business operations via acquisitions, joint ventures and/or strategic partnerships	4,000.00	1,732.50 ⁽¹⁾	2,267.50
Working Capital	1,316.00	36.00 ⁽²⁾	1,280.00
Total	5,316.00	1,768.50	3,547.50

Notes:

- (1) Utilised for the acquisition of Sen Med Holdings Pte. Ltd.
 (2) Utilised for the payment of listing expenses

The above utilisations are in accordance with the intended use as stated in the Company's Offer Document.



The Directors of Medinex Limited (formerly known as Medinex Pte. Ltd.) (the "**Company**") present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2018 and the statement of financial position of the Company as at 31 December 2018.

1. OPINION OF THE DIRECTORS

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

Mr. Tan Lee Meng	(Non-executive Chairman) (Appointed on 22 May 2017)
Ms. Jessie Low Mui Choo	(Executive Director and Chief Executive Officer) (Appointed on 17 May 2017)
Mr. Lim Tai Toon	(Lead Independent Non-executive Director) (Appointed on 14 November 2018)
Mr. Wee Yiap Fook San	(Independent Non-executive Director) (Appointed on 14 November 2018)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

MEDINEX LIMITED

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as follows:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance at 1 January 2018	Balance at 31 December 2018	Balance at 1 January 2018	Balance at 31 December 2018
The Company	Number of ordinary shares			
Ms. Jessie Low Mui Choo	4,846	27,089,140	–	–
Mr. Tan Lee Meng	852	11,269,440	–	–

By virtue of Section 7 of the Act, Ms. Jessie Low Mui Choo is deemed to have interests in the shares of all subsidiary corporations of the Company at the beginning and at the end of the financial year.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the register of directors' shareholdings, the directors' interest as at 21 January 2019 in the shares of the Company have not changed from those disclosed as at 31 December 2018.

5. SHARE OPTIONS

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

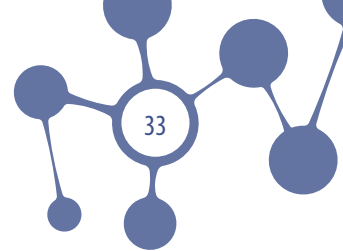
There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

Employee Share Option Scheme

The Company has implemented an Employee Share Option Scheme known as the Medinex Employee Share Option Scheme ("**Medinex ESOS**"). The Medinex ESOS was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 9 November 2018. No options have been granted pursuant to the Medinex ESOS as at the date of this report.

Performance Share Plan

The Company has implemented a Performance Share Plan known as the Medinex Performance Share Plan ("**Medinex PSP**"). The Medinex PSP was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 9 November 2018. No shares have been granted to an employee pursuant to the Medinex PSP as at the date of this report.

**6. AUDIT COMMITTEE**

The Audit Committee of the Company is chaired by Mr. Lim Tai Toon, Lead Independent Non-Executive Director, and includes Mr. Wee Yiap Fook San, an Independent Non-Executive Director and Mr. Tan Lee Meng, a Non-executive Chairman. The Audit Committee has carried out its functions in accordance with section 201B(5) of the Act, including reviewing the following, where relevant, with the executive Directors and external auditors of the Company:

- (i) assisting the Board in the discharge of its responsibilities on financial reporting matters;
- (ii) reviewing with the internal and external auditors, the audit plans, scope of work, evaluation of the system of internal accounting controls, management letter and management's response, and results complied by the Group's internal and external auditors;
- (iii) reviewing the half-yearly and annual financial statements and results announcements (including casting an oversight on the guaranteed profits provided to the Company and the related payments to the Company) before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Listing Manual and any other statutory or regulatory requirements;
- (iv) reviewing significant financial reporting issues and judgments with the Financial Controller and the external auditors so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before their submission to the Board;
- (v) reviewing the effectiveness and adequacy of the Group's internal control and procedures, including financial, operational, compliance and information technology controls and risk management policies and systems established by the management, and ensure coordination between the Group's internal and external auditors, and management;
- (vi) reviewing the assistance given by the management to the auditors and discuss concern and problems, if any, arising from the audit, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
- (vii) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and internal audit functions, and assessing the independence and objectivity of the external auditors;
- (viii) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;
- (ix) making recommendation to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (x) reviewing and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems with the Financial Controller and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;
- (xi) reviewing the nature and extent of non-audit services provided by the external auditors;
- (xii) reviewing any transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Listing Manual;

6. AUDIT COMMITTEE (CONTINUED)

- (xiii) reviewing any potential conflicts of interest;
- (xiv) reviewing and approve any hedging policies and instruments to be implemented by the Group;
- (xv) undertaking such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the Audit Committee;
- (xvi) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, and ensure that the Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and
- (xvii) generally undertaking such other functions and duties as may be required by law or the Catalist Listing Manual, and by such amendments made thereto from time to time.

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the external auditors to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditors.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any Director and Executive Officer of the Group to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

7. INDEPENDENT AUDITORS

The independent auditors, BDO LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

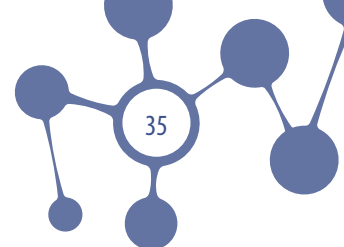
Tan Lee Meng

Director

Jessie Low Mui Choo

Director

Singapore
4 April 2019

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Opinion**

We have audited the financial statements of Medinex Limited (formerly known as Medinex Pte. Ltd.) (the "Company") and its subsidiaries (the "Group") as set out in pages 43 to 104, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2018;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Group and the Company for the financial year ended 31 December 2017 have not been audited as the Group and the Company were exempted from audit requirements pursuant to the provisions of the Act.

INDEPENDENT AUDITORS' REPORT

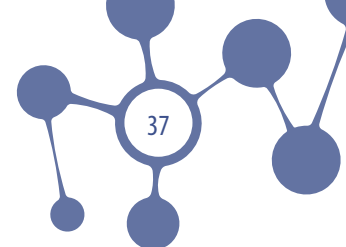
MEDINEX LIMITED

TO THE MEMBERS OF MEDINEX LIMITED (FORMERLY KNOWN AS MEDINEX PTE. LTD.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	AUDIT RESPONSE
<p>1 Business combinations related to acquisitions of subsidiaries</p> <p>During the financial year ended 31 December 2018, the Company initially acquired 50%, 60% and 60% equity interest in AccTax Management Consultancy Private Limited ("ACCTAX"), Patceljon Professional Services Pte Ltd ("PPS") and Jo-L Consultus Pte. Ltd. ("Jo-L") respectively for a total purchase consideration of \$1,454,077, thereby obtaining control of these entities on the respective acquisition dates.</p> <p>The Company then further acquired 50%, 40% and 40% equity interest in ACCTAX, PPS and Jo-L respectively for a total purchase consideration of \$2,189,060. Pursuant to the acquisitions, ACCTAX, PPS and Jo-L became wholly-owned subsidiaries of the Company.</p> <p>In accounting for these acquisitions, management, assisted by its external valuer, performed valuations to determine the fair values of ACCTAX, PPS and Jo-L's identifiable assets acquired and liabilities assumed at their respective acquisition dates.</p> <p>We have determined the accounting for the acquisitions of ACCTAX, PPS and Jo-L, to be a key audit matter as these acquisitions are material transactions during the financial year and involved significant judgements and estimates with regard to the valuation process.</p> <p>Refer to Note 2.3 and 6 to the financial statements.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> Perused the sale and purchase agreements ("SPA") for the acquisitions to verify the terms and conditions and determine if the accounting for the acquisitions are in accordance with SFRS(I) 3 <i>Business Combinations</i> and SFRS(I) 10 <i>Consolidated Financial Statements</i>. Assessed the independence and competency of the external valuer which included considering their experiences and qualification in performing valuations for such business combinations and discussed with the external valuer on the valuation methodologies used and the results of their work. Perused the Purchase Price Allocation ("PPA") reports issued by the external valuer and, with the assistance of our internal valuation specialist, assessed the reasonableness of the key assumptions and valuation methods used. Assessed the adequacy of the disclosures in the financial statements relating to the business combinations.



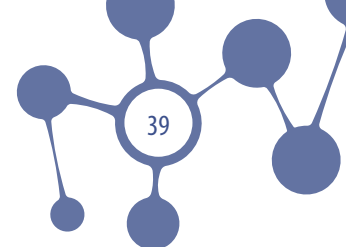
KEY AUDIT MATTER	AUDIT RESPONSE
<p data-bbox="164 477 671 506">2 Impairment assessment of goodwill</p> <p data-bbox="164 539 783 640">As at 31 December 2018, the Group's goodwill amounted to \$3,638,843, which included the goodwill of \$1,248,721 arising from new acquisitions during the financial year.</p> <p data-bbox="164 678 783 779">Under SFRS(I) 1-36 <i>Impairment of Assets</i>, the Group is required to test goodwill for impairment annually, or more frequently if there are indications that these goodwill may be impaired.</p> <p data-bbox="164 817 783 987">For the purpose of impairment assessment, management applied the value-in-use (discounted cash flow forecasts) method to determine the recoverable amounts for the respective cash generating units to which the goodwill belong.</p> <p data-bbox="164 1025 783 1227">We have determined the impairment assessment of goodwill to be a key audit matter as the impairment assessment involved significant judgements and estimates with regard to the key assumptions used in estimating the discounted future cash flows, such as the revenue growth rates, discount rates and terminal growth rate.</p> <hr data-bbox="164 1283 722 1288"/> <p data-bbox="164 1301 719 1330">Refer to Notes 3.2(ii) and 5 to the financial statements.</p>	<p data-bbox="810 539 1430 607">We performed the following audit procedures, amongst others:</p> <ul data-bbox="810 645 1430 1193" style="list-style-type: none"><li data-bbox="810 645 1430 815">• Discussed with management and evaluated the reasonableness of the key assumptions made by management, including performing analytical procedures and comparing the revenue growth rates against historical performance, as appropriate.<li data-bbox="810 853 1430 920">• Engaged our internal valuation specialist to evaluate the reasonableness of the discount rates used.<li data-bbox="810 958 1430 1093">• Performed sensitivity analysis around the key assumptions, including the revenue growth rates, discount rates and terminal growth rate, used in cash flow forecasts.<li data-bbox="810 1131 1430 1198">• Assessed the adequacy of the disclosure in the financial statements with respect to the goodwill impairment.

INDEPENDENT AUDITORS' REPORT

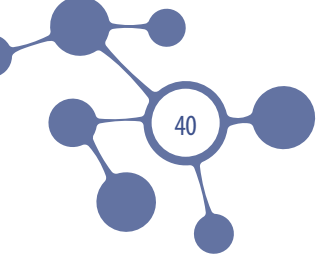
MEDINEX LIMITED

TO THE MEMBERS OF MEDINEX LIMITED (FORMERLY KNOWN AS MEDINEX PTE. LTD.)

KEY AUDIT MATTER	AUDIT RESPONSE
<p>3 Impairment assessment of investments in subsidiaries</p> <p>As at 31 December 2018, the carrying amount of the Company's investments in subsidiaries amounted to \$7,232,372. The subsidiaries are service providers of medical and business support services as well as pharmaceutical services.</p> <p>During the financial year, arising from indications of impairment in the subsidiaries, management carried out an impairment assessment to determine whether an impairment loss should be recognised in the financial statements.</p> <p>Management determined the recoverable amounts based on the value-in-use calculations by estimating the expected discounted future cash flows to be derived from the investments in those subsidiaries.</p> <p>We focused on the impairment assessment of the subsidiaries as a key audit matter owing to the significant management judgements involved in the key assumptions used in estimating the expected discounted future cash flows such as the revenue growth rates and the discount rates. Having made significant new acquisitions during the financial year, the Company's investments in subsidiaries have also become material to the Company's statement of financial position as at 31 December 2018.</p> <hr/> <p>Refer to Notes 3.2(i) and 6 to the financial statements.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> Discussed with management and evaluated the reasonableness of the key assumptions made by management, including performing analytical procedures and comparing the revenue growth rates against historical performance, as appropriate. Engaged our internal valuation specialist to evaluate the reasonableness of the discount rates used. Performed sensitivity analysis around the key assumptions, including the revenue growth rates, discount rates and terminal growth rate, used in cash flow forecasts. Assessed the adequacy of the disclosure in the financial statements with respect to the impairment assessment of investments in subsidiaries.



KEY AUDIT MATTER	AUDIT RESPONSE
<p data-bbox="161 472 507 504">4 Revenue recognition</p> <p data-bbox="161 539 783 672">The Group derives revenue from rendering professional services and sales of medical and pharmaceutical products, which are recognised point in time except for revenue from corporate secretarial services, which is recognised over time.</p> <p data-bbox="161 712 783 1052">The Group provides professional services including accounting support services, tax administration, corporate secretarial services and business and management consultancy services to its customers. Certain revenue contracts with customers consist of multiple professional services under one contract. Upon adoption of SFRS(I)15 <i>Revenue from Contracts with Customers</i>, management assessed each contract and unbundled these services as distinct performance obligations. The transaction price is allocated to each performance obligation on a relative stand-alone selling price basis.</p> <p data-bbox="161 1093 783 1328">We have determined revenue recognition to be a key audit matter as considerable amount of judgement was involved in revenue recognition process upon adoption of SFRS(I) 15, particularly the allocation of transaction price to one or more performance obligations. Revenue recognition was therefore one of the most significant matters in the audit of the current year financial statements.</p> <hr data-bbox="161 1388 783 1393"/> <p data-bbox="161 1402 778 1433">Refer to Notes 2.14, 3.1(i) and 19 to the financial statements.</p>	<p data-bbox="810 539 1430 602">We performed the following audit procedures, amongst others:</p> <ul data-bbox="810 642 1430 1155" style="list-style-type: none"> <li data-bbox="810 642 1430 705">• Examined the contracts with customers and the Group's revenue recognition policy. <li data-bbox="810 745 1430 808">• Obtained an understanding of the revenue transaction streams and tested the key controls in the revenue cycle. <li data-bbox="810 848 1430 981">• Performed substantive tests on a sample basis by checking to approved sales invoices and supporting documents such as customer acknowledged delivery note or proof of service. <li data-bbox="810 1021 1430 1052">• Performed cut-off procedures on revenue. <li data-bbox="810 1093 1430 1155">• Assessed the adequacy of the disclosure in the financial statements with respect to the revenue recognition.



INDEPENDENT AUDITORS' REPORT

MEDINEX LIMITED

TO THE MEMBERS OF MEDINEX LIMITED (FORMERLY KNOWN AS MEDINEX PTE. LTD.)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

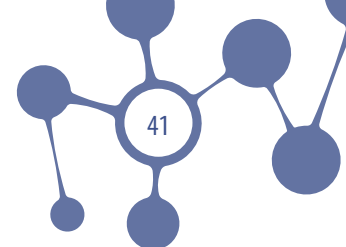
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

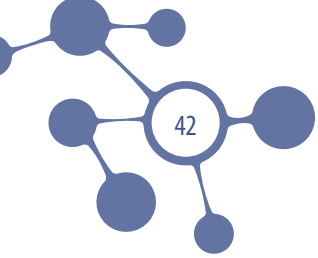
As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



INDEPENDENT AUDITORS' REPORT

MEDINEX LIMITED

TO THE MEMBERS OF MEDINEX LIMITED (FORMERLY KNOWN AS MEDINEX PTE. LTD.)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company, and by those subsidiary corporations in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Leong Hon Mun Peter.

BDO LLP

Public Accountants and
Chartered Accountants

Singapore
4 April 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

		Group		
	Note	31 December 2018	31 December 2017	1 January 2017
		\$	\$	\$
ASSETS				
Non-current assets				
Plant and equipment	4	96,702	96,077	48,047
Intangible assets	5	3,780,053	2,439,594	–
Financial asset at fair value through other profit or loss	7	780	–	–
		3,877,535	2,535,671	48,047
Current assets				
Inventories	8	472,951	452,361	–
Trade and other receivables	9	1,252,981	973,513	441,547
Prepayments		94,207	7,170	35,800
Fixed deposit	10	4,150,234	1,600,000	–
Cash and bank balances	10	4,982,089	1,466,874	413,769
		10,952,462	4,499,918	891,116
Total assets		14,829,997	7,035,589	939,163
EQUITY AND LIABILITIES				
Equity				
Share capital	11	14,163,317	5,627,237	30,002
Capital reserve	13	(1,948,381)	–	–
Retained earnings		1,312,242	502,148	324,014
Total equity		13,527,178	6,129,385	354,016
Non-current liabilities				
Finance lease payables	14	3,933	1,947	–
Deferred tax liabilities	15	24,004	8,409	–
Provisions	16	28,671	–	–
		56,608	10,356	–
Current liabilities				
Trade and other payables	17	954,542	813,531	125,189
Finance lease payables	14	5,577	23,401	–
Bank borrowings	18	–	–	419,612
Current income tax payable		286,092	58,916	40,346
		1,246,211	895,848	585,147
Total liabilities		1,302,819	906,204	585,147
Total equity and liabilities		14,829,997	7,035,589	939,163

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

MEDINEX LIMITED

AS AT 31 DECEMBER 2018

	Note	31 December 2018 \$	Company 31 December 2017 \$	1 January 2017 \$
ASSETS				
Non-current assets				
Plant and equipment	4	3,037	22,054	44,922
Investments in subsidiaries	6	7,232,372	3,589,235	–
		7,235,409	3,611,289	44,922
Current assets				
Trade and other receivables	9	2,169,942	304,951	160,377
Prepayments		81,723	2,322	35,800
Fixed deposit	10	3,000,000	1,600,000	–
Cash and bank balances	10	3,410,742	560,301	129,558
		8,662,407	2,467,574	325,735
Total assets		15,897,816	6,078,863	370,657
EQUITY AND LIABILITIES				
Equity				
Share capital	11	14,163,317	5,627,237	10,002
Retained earnings	12	1,511,797	386,936	90,045
Total equity		15,675,114	6,014,173	100,047
Current liabilities				
Trade and other payables	17	209,241	49,889	43,903
Bank borrowings	18	–	–	219,842
Current income tax payable		13,461	14,801	6,865
Total liabilities		222,702	64,690	270,610
Total equity and liabilities		15,897,816	6,078,863	370,657

The accompanying notes form an integral part of these financial statements.

ANNUAL REPORT 2018 **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Revenue	19	9,008,421	3,033,652
Other item of income			
Other income	20	72,525	16,850
Items of expense			
Changes in inventories		20,590	(40,082)
Inventories and consumables		(3,329,109)	(449,994)
Employee benefits expense	21	(2,620,682)	(1,165,168)
Depreciation and amortisation expenses	22	(74,207)	(29,007)
Loss allowance on receivables		(26,379)	–
Other expenses		(1,879,788)	(372,249)
Finance costs	23	(2,788)	(1,396)
Profit before income tax	24	1,168,583	992,606
Income tax expense	25	(261,518)	(54,472)
Profit for the financial year, representing total comprehensive income for the financial year		907,065	938,134
Profit and total comprehensive income attributable to:			
Owners of the parent		816,613	938,134
Non-controlling interests		90,452	–
		907,065	938,134
Earnings per share (cents)			
– Basic and diluted	26	0.83	1.54

The accompanying notes form an integral part of these financial statements.

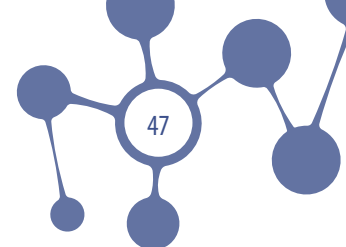
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Share capital \$	Capital reserve \$	Retained earnings \$	Equity attributable to owners of the parent \$	Non-controlling interests \$	Total equity \$
Balance at 31 December 2017		5,627,237	–	502,148	6,129,385	–	6,129,385
Adjustment on initial application of SFRS(I) 9 (net of tax)	34	–	–	(6,519)	(6,519)	–	(6,519)
Adjusted balance at 1 January 2018		5,627,237	–	495,629	6,122,866	–	6,122,866
Profit for the financial year		–	–	816,613	816,613	90,452	907,065
Total comprehensive income for the financial year		–	–	816,613	816,613	90,452	907,065
Contributions by owners							
Restructuring exercise	6, 13	2,189,060	(1,948,381)	–	240,679	(240,679)	–
Issue of shares	11	6,800,000	–	–	6,800,000	–	6,800,000
Share issue expense	11	(452,980)	–	–	(452,980)	–	(452,980)
Total transactions with owners		8,536,080	(1,948,381)	–	6,587,699	(240,679)	6,347,020
Transactions with non-controlling interests							
Subscription of shares by non-controlling interests in subsidiaries		–	–	–	–	150,227	150,227
Total transactions with non-controlling interests		–	–	–	–	150,227	150,227
Balance at 31 December 2018		<u>14,163,317</u>	<u>(1,948,381)</u>	<u>1,312,242</u>	<u>13,527,178</u>	<u>–</u>	<u>13,527,178</u>

The accompanying notes form an integral part of these financial statements..



CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Share capital \$	Retained earnings \$	Total equity \$
Balance at 1 January 2017		30,002	295,944	325,946
Adjustment on initial application of SFRS(I)15 (net of tax)	34	–	28,070	28,070
Adjusted balance at 1 January 2017		30,002	324,014	354,016
Profit for the financial year		–	938,134	938,134
Total comprehensive income for the financial year		–	938,134	938,134
Contributions by and distributions to owners				
Issue of shares	11	5,617,235	–	5,617,235
Restructuring exercise	1.2	(20,000)	–	(20,000)
Dividends	27	–	(760,000)	(760,000)
Total transactions with owners		5,597,235	(760,000)	4,837,235
Balance at 31 December 2017		5,627,237	502,148	6,129,385

CONSOLIDATED STATEMENT OF CASH FLOWS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
Operating activities		
Profit before income tax	1,168,583	992,606
Adjustments for:		
Amortisation of intangible assets	25,406	933
Loss allowance on receivables	26,379	–
Bad debts written-off	6,652	30,234
Inventories written-off	5,413	–
Depreciation of plant and equipment	48,801	28,074
Gain on fair value of financial assets through profit or loss	(235)	–
Allowance for impairment loss on doubtful debts written back	(8,721)	–
Interest income	(11,440)	(325)
Interest expense	2,788	1,396
Operating cash flows before working capital changes	1,263,626	1,052,918
Working capital changes:		
Inventories	(26,003)	(30,197)
Trade and other receivables	(100,747)	(53,124)
Prepayments	(81,625)	4,809
Trade and other payables	9,035	190,571
Cash generated from operations	1,064,286	1,164,977
Income tax paid	(68,959)	(36,061)
Net cash from operating activities	995,327	1,128,916
Investing activities		
Acquisition of subsidiaries under common control	–	(20,000)
Acquisition of subsidiaries, net of cash acquired	(1,219,132)	567,539
Purchase of plant and equipment	(15,676)	–
Interest received	11,440	325
Net cash (used in)/from investing activities	(1,223,368)	547,864
Financing activities		
Advances from Directors (Note A)	2,559	58,595
Proceeds from issuance of shares	6,500,000	2,048,000
Repayment from former director (Note A)	–	94,506
Repayment to Director (Note A)	(26,270)	(34,884)
Repayment of term loan	–	(419,612)
Repayment of finance lease (Note A)	(27,031)	(8,884)
Dividends paid	–	(760,000)
Interest paid	(2,788)	(1,396)
Share issue expenses (Note B)	(152,980)	–
Net cash from financing activities	6,293,490	976,325
Net change in cash and cash equivalents	6,065,449	2,653,105
Cash and cash equivalents at beginning of financial year	3,066,874	413,769
Cash and cash equivalents at end of financial year (Note 10)	9,132,323	3,066,874

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Note A: Reconciliation of liabilities arising from financing activities

	1 January 2018	Cash flows	Non-cash changes acquisition from subsidiaries	31 December 2018
	\$	\$	\$	\$
Amount due to Director of the Company	23,711	(23,711)	–	–
Finance lease payable	25,348	(27,031)	11,193	9,510
	49,059	(50,742)	11,193	9,510

	1 January 2017	Cash flows	Non-cash changes acquisition from subsidiary	31 December 2017
	\$	\$	\$	\$
Amount due to Director of the Company	–	23,711	–	23,711
Amount due from former director	94,506	(94,506)	–	–
Bank borrowings	419,612	(419,612)	–	–
Finance lease payable	–	(8,884)	34,232	25,348
	514,118	(499,291)	34,232	49,059

Note B: Share issue expenses

These represents the share issue expenses capitalised in equity of \$452,980, which \$152,980 was paid by cash and the remaining portion of \$300,000 was satisfied through issuance of 1,200,000 ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

These notes form an integral part of and should be read in conjunction with the financial statements.

1. GENERAL CORPORATE INFORMATION

1.1 Domicile and activities

Medinex Limited (the "**Company**") is a public limited company incorporated and domiciled in Singapore. On 9 November 2018, in connection with its conversion into a public company limited by shares, the Company changed its name from Medinex Pte. Ltd. to Medinex Limited. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 7 December 2018.

The Company's registered office and its principal place of business is located at 111 North Bridge Road #23-04 Peninsula Plaza Singapore 179098. The registration number of the Company is 200900689W.

The principal activity of the Company was that of providing business and management consultancy services to the medical sector. The Company changed its principal activity to investment holding company from 1 January 2018 onwards.

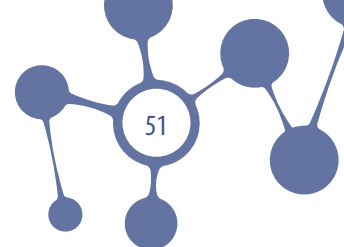
The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The statement of financial position of the Company as at 31 December 2018 and the consolidated financial statements of the Company and its subsidiaries ("**the Group**") for the financial year ended 31 December 2018 were authorised for issue in accordance with a Directors' resolution dated 4 April 2019.

1.2 Restructuring exercise

A restructuring exercise (the "**Restructuring Exercise**") was carried out as part of group restructuring prior to the listing on Catalist Board of SGX-ST which resulted in the Company becoming the holding company of the Group. The following steps were taken in the Restructuring Exercise:

- (i) On 16 May 2017, the Company entered into a restructuring agreement, which reflected the transfers of the entire issued and paid-up share capital of each of Medinex Healthcare Pte. Ltd. ("**Medinex Healthcare**") (formerly known as JK Bizline Pte. Ltd.) and Medinex Corporate Services Pte. Ltd. ("**MCS**") (formerly known as Ark Corporate Solutions Pte. Ltd.) (to constitute the subsidiaries under the Company) for a total cash consideration of \$20,000.
- (ii) On 9 November 2017, the Company entered into a sale and purchase agreement to acquire 100% equity interest of Nex Healthcare Pte. Ltd. ("**Nex**"). The consideration for the acquisition amounted to \$500,000 was satisfied in full by way of issuance of the Company's shares. On 3 October 2018, pursuant to the Nex Supplemental Letter, the aggregate amount of \$121,000 was paid to Nex Vendors by the Company's shareholders.
- (iii) On 5 January 2018, the Company entered into a sale and purchase agreement, pursuant to which the Company acquired 50% equity interest in AccTax Management Consultancy Private Limited ("**ACCTAX**"). The consideration for the acquisition amounted to \$375,000, of which was satisfied in full by cash.
- (iv) On 15 June 2018, the Company entered into a sale and purchase agreement, pursuant to which the Company acquired 60% equity interest of Patceljon Professional Services Pte. Ltd. ("**PPS**") and Jo-L Consultus Pte. Ltd. ("**Jo-L**"). The consideration for the acquisition amounted to \$993,781 and \$85,296 respectively, of which was satisfied in full by cash, except for \$53,954 are payable in cash to the vendor subsequent to the end of reporting period.

**1. GENERAL CORPORATE INFORMATION (CONTINUED)****1.2 Restructuring exercise (Continued)**

- (v) On 5 November 2018, the Company further acquired the remaining 50% equity interest in ACCTAX, for a consideration of \$749,060; and 40% equity interest in PPS and Jo-L for an aggregate consideration of \$1,440,000. Pursuant to the acquisitions, ACCTAX, PPS and Jo-L became wholly owned subsidiaries of the Company. The consideration was satisfied by way of issuance of 1,566 ordinary shares at price of \$1,398 each to vendors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of financial statements**

The restructuring exercise involved acquisitions of companies, as referred to in Note 1.2(i) to the financial statements, which are under common control. These companies have been included in the consolidated financial statements of the Group in a manner similar to the “pooling-of-interest” method. Such manner of presentation reflects the economic substance of the combining companies as a single economic enterprise, although the legal parent-subsidary relationship was not established until after 16 May 2017.

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are the Group and the Company’s first financial statements prepared in accordance with SFRS(I). The Group and the Company have previously prepared their financial statements in accordance with Financial Reporting Standards in Singapore (“**FRS**”). As required by SFRS(I) 1 *First-time adoption of Singapore Financial Reporting Standards (International)*, the Group and the Company have consistently applied the same accounting policies in its opening statement of financial position at 1 January 2017 and throughout all financial years presented, as if these policies had always been in effect subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. Comparative information for the financial year ended 31 December 2017 in these financial statements have been restated to give effect to these changes and the financial impact on transition from FRS to SFRS(I) are disclosed in Note 34 to the financial statements. Except for adoption of newly issued SFRS(I) 15 *Revenue from Contracts with Customers* and SFRS(I) 9 *Financial Instruments*, the adoption of SFRS(I) 1 does not result in any substantial changes on the accounting policies and amounts reported in the previous financial years.

Items included in the individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“**functional currency**”). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar, which is the functional currency of the Company and the presentation currency of the financial statements. The financial statements are expressed in Singapore dollar (“**\$**”), unless otherwise stated.

The preparation of financial statements in conformity with SFRS(I) requires the management to exercise judgement in the process of applying the Group’s and the Company’s accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management’s best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of revision and future years if the revision affects both current and future financial years.

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of financial statements (Continued)

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I) and SFRS(I) INT were issued but not yet effective and have not been early adopted in these financial statements:

		Effective date (annual periods beginning on or after)
SFRS(I) 9 (Amendments)	: <i>Prepayment Features with Negative Compensation</i>	1 January 2019
SFRS(I) 1-28 (Amendments)	: <i>Long-term interests in Associates and Joint Ventures</i>	1 January 2019
SFRS(I) 16	: <i>Leases</i>	1 January 2019
Annual Improvements to SFRS(I)s 2015 – 2017 Cycle		
– SFRS(I) 3 (Amendments)	: <i>Business Combinations</i>	1 January 2019
– SFRS(I) 3 (Amendments)	: <i>Definition of a Business</i>	1 January 2020
– SFRS(I) 11 (Amendments)	: <i>Joint Arrangements</i>	1 January 2019
– SFRS(I) 1-12 (Amendments)	: <i>Income Tax</i>	1 January 2019
– SFRS(I) 1-23 (Amendments)	: <i>Borrowing Costs</i>	1 January 2019
SFRS(I) INT 23	: <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
SFRS(I) 1-19 (Amendments)	: <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
SFRS(I) 1-1, SFRS(I) 1-8 (Amendments)	: <i>Definition of Material</i>	1 January 2020
SFRS(I) 17	: <i>Insurance Contracts</i>	1 January 2021
SFRS(I) 10 and SFRS(I) 1-28 (Amendments)	: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

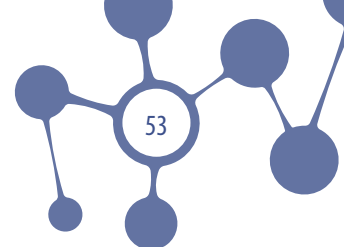
Management anticipates that the adoption of the above new SFRS(I) amendments to and SFRS(I) INT will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption, except as disclosed below.

SFRS(I) 16 Leases

Summary of the requirements

SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and financial liabilities to pay rentals with a term of more than 12 months, unless the underlying asset is of a low value.

SFRS(I) 16 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.1 Basis of preparation of financial statements (Continued)**

SFRS(I) and SFRS(I) INT issued but not yet effective (Continued)

SFRS(I) 16 Leases (Continued)

Summary of the requirements (Continued)

When effective, SFRS(I) 16 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied.

Potential impact on the financial statements

During the financial year, the Group and the Company completed its initial assessment of the impact on its financial statements based on currently available information as well as recognition exemptions under SFRS(I) 16. The Group and the Company expects to capitalise its office premises and other operating facilities on the consolidated statement of financial position by recognition them as “right-of-use” assets and their corresponding lease liabilities for the present value of future lease payments of \$1,354,271 respectively. This assessment may be subject to changes from the ongoing analysis until the finalisation of transition entries. The Group and the Company plan to adopt the standard in the financial year beginning on 1 January 2019 with modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in the financial statements for that financial year.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting date as that of the parent company.

Accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group to ensure consistency.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which that control ceases. In preparing the consolidated financial statements, inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment loss of the asset transferred.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (Continued)

Non-controlling interests in the acquire that are a present ownership interest and entitle its holders to a proportionate share of the equity's net assets in the event of liquidation may be initially measure either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having deficit balance.

Changes in the Group's interest in subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

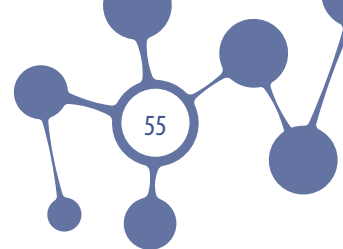
When the Group loses control of subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2.3 Business combinations

The acquisitions of subsidiaries are accounted for using the acquisition method. The considerations transferred for the acquisitions are measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration transferred also includes the fair value of any contingent consideration measured at the acquisition date. Subsequent changes in fair value of contingent consideration which is deemed to be an asset or liability will be recognised to profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.3 Business combinations (Continued)**

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Acquisition under common control

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or recognised any new assets or liabilities, including no goodwill is recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the consideration paid for the acquisition and share capital of acquiree is recognised directly to equity as merger reserve.

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure relating to the plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the Company, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

Low value assets items which cost less than \$1,000 are recognised as an expense directly in profit or loss in the financial year of acquisition.

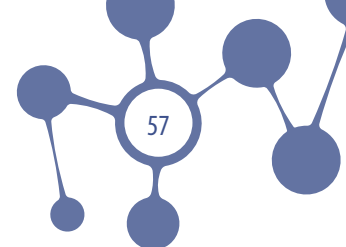
Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the plant and equipment over their estimated useful life as follows:

	<u>Years</u>
Computer	1 to 3
Furniture and fittings	3
Office equipment	3
Renovation	5 to 9
Motor vehicle	8

The residual values, estimated useful life and depreciation method are reviewed at each financial year-end to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

2.5 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Intangible assets (Continued)**

The useful life of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite life are amortised on a straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in profit or loss.

Intangible assets with indefinite useful life or not yet available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either at individual or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the changes in useful life from indefinite to finite is made on prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Goodwill

Goodwill arising on the acquisition of subsidiary represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Intangible assets (Continued)

Customer listing

Customer listing was acquired through business combinations, and measured at fair value as at the date of acquisition. Subsequently, customer listing is carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in profit or loss on a straight-line basis over 3 to 9 years.

Customer listing is assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful life and amortisation method are reviewed at the end of each reporting period to ensure that the period of amortisation and amortisation method are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

2.6 Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

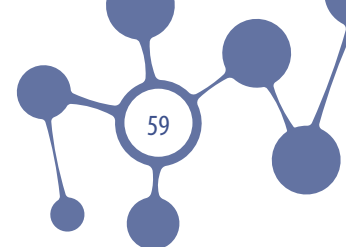
Investments in subsidiaries are accounted for at cost, less impairment loss, if any, in the Company's statement of financial position.

2.7 Impairment of non-financial assets excluding goodwill

The carrying amounts of non-financial assets excluding goodwill are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to other comprehensive income, in which case it is charged to other comprehensive income up to the amount of any previous revaluation.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable willing parties less costs of disposal. Value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.7 Impairment of non-financial assets excluding goodwill (Continued)**

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment loss recognised in prior periods is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment loss are recognised in profit or loss. After such a reversal, the depreciation or amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average basis and includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which inventories can be realised in the ordinary course of business, less estimated costs to be incurred to make the sale. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

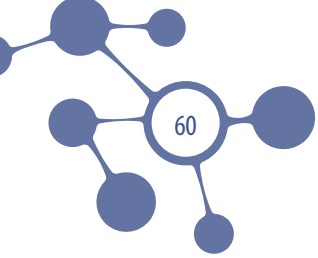
2.9 Financial assets

The Group and the Company classify their financial assets into one of the categories below, depending on the Group's and the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group and the Company shall reclassify their affected financial assets when and only when the Group and the Company changes their business model for managing these financial assets. Other than financial assets in a qualifying hedging relationship, the Group's and the Company's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the combined statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.



NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

Amortised cost (Continued)

Impairment provisions for receivables from related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's and the Company's financial assets measured at amortised cost comprise trade and other receivables, fixed deposits and cash and bank balances in the statements of financial position.

Financial assets at fair value through other profit or loss ("FVTPL")

The Group has quoted investments which are not accounted for as subsidiaries, associates or joint ventures. For equity investments that are either held for trading or irrevocable election to measure fair value changes through other comprehensive income has not been made, the fair value changes is recognised in profit or loss and presented in 'other gains and losses'.

Derecognition of financial assets

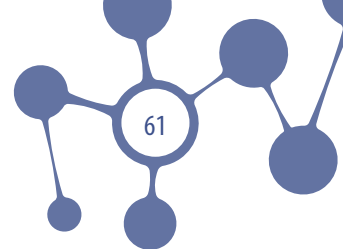
The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Accounting policy for financial assets prior to 1 January 2018

The Group and the Company classify their financial assets as loans and receivables. The classification depends on the purpose of which the assets were acquired. The management determines the classification of the financial assets at initial recognition and re-evaluates this designation at the end of the reporting period, where allowed and appropriate.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the statements of financial position.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.9 Financial assets (Continued)***Recognition and derecognition*

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become parties to the contractual provisions of the financial instruments.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount and the net consideration proceeds is recognised in profit or loss. Any cumulative gain or loss in the fair value reserve relating to the asset is also recognised in profit or loss.

Initial and subsequent measurement

Financial assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less impairment loss, if any.

Subsequent to initial recognition, investments in equity instruments classified as available-for-sale financial assets are measured at fair value and changes therein are recognised directly in the fair value reserve with the exception of impairment losses. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is included in profit or loss for the period.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period to the net carrying amount of the financial instrument. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

Impairment

The Group and the Company assess at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment loss of loans and receivables is recognised when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash and deposits with banks. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.11 Equity instruments

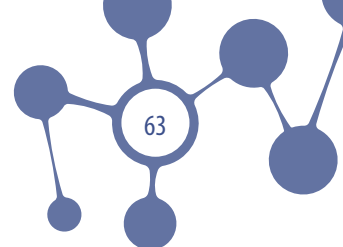
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

2.12 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.12 Provisions (Continued)**

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Financial liabilities

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. The Group and the Company determine the classification of their financial liabilities at initial recognition.

Trade and other payables

Trade and other payables, excluding advances received, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within 12 months after the end of the reporting period are presented as current borrowings even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the end of the reporting period are presented as non-current borrowings in the statements of financial position.

Derecognition of financial liabilities

The Group and the Company derecognise their financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

When an existing liability is replaced by another form from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts and variable amounts, if any.

Rendering of services

The Group provides professional services including accounting support services, tax administration, corporate secretarial services, and business and management consultancy services to its customers. Certain revenue contracts with customers consist of multiple professional services under one contract. Upon adoption of SFRS(I) 15, the management assessed each contract and unbundled these services as distinct performance obligations. The Group allocated transaction price to each performance obligation based on its relative standalone selling price.

The Group recognises revenue from rendering professional services at point in time upon completion of service except for revenue from corporate secretarial services which is recognised over time over the service contract term. Limited judgement is needed to identify when the point of control passes to customers.

The customers are invoiced either on yearly basis or based on the billings terms specified in contract. Accrued revenue is recognised for cumulative revenue recognised but not yet invoiced. In situation where payments collected prior to services rendered, a deferred revenue is recognised. There is no element of financing in the Group's revenue transactions as customers are required to pay within a credit term of 0 to 60 days.

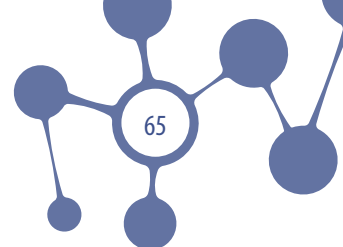
Sale of goods

Revenue from sales of medical and pharmaceutical products are recognised at a point in time based on customer acknowledgement of delivery as control is transferred to the customer.

Limited judgement is needed to identify when the point of control passes to customers. There is no element of financing in the Group's revenue transactions as customers are required to pay within a credit term of 30 to 90 days.

2.15 Grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented in profit or loss under "other income". Grants related to an asset may be presented in the statements of financial position by deducting the grant in arriving at the carrying amount of the asset.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.16 Leases**

When the Group and the Company are the lessee of operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

When the Group as lessee of finance leases

Leases in which the Group assumes substantially the risks and rewards of ownership are classified as finance leases.

Upon initial recognition, plant and equipment acquired through finance leases are capitalised at the lower of their fair value and the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalized.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to achieve a constant periodic rate of interest on the remaining balance of the finance lease liability. Finance charge is recognised in profit or loss.

When the Group is the lessor of operating leases

Leases where the Group retains substantially all risks and rewards incidental to the ownership are classified as operating leases.

Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

2.17 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised leave as a result of services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as expenses in profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

2.19 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity, or in other comprehensive income.

Current income tax expense is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous financial years. Taxable income differs from profit reported as profit or loss because it excluded items of income or expenses that are taxable or deductible in other years and it further excludes items of income or expenses that are not taxable or tax deductible.

Deferred tax is provided, using the balance sheet liability method, for temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured using the tax rates expected to be applied to the temporary differences when they are realised or settled, based on tax rates enacted or substantively enacted at the end of the reporting period.

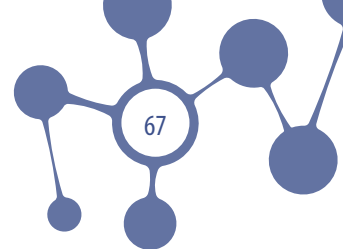
Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax authority and where there is intention to settle the current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.20 Dividends**

Dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by shareholders.

2.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the Group) and whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**3.1 Critical judgements made in applying the accounting policies**

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements, except as disclosed in below:

- (i) Revenue recognition

With the application of SFRS(I) 15 *Revenue from Contracts with Customers*, the management considered the detailed criteria for the recognition of revenue, in particular, the allocation of transaction price.

The Group has exercised significant judgement to determine the allocation of transaction price for each identified performance obligation for multiple professional services offered under one contract. Management has made their assessment of the allocation transaction price, including considering the individual stand-alone selling prices which may vary due to the different level of complexity of the professional services.

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

(i) Impairment of investments in subsidiaries

The Company follows the guidance of SFRS(I) 1-36 in determining whether an investment in a subsidiary is impaired. This determination requires significant judgement. The Company evaluates, among other factors, the duration and extent to which the recoverable amount of an investment in subsidiary is less than its carrying amount and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance and operational and financing cash flows. The carrying amount of investment in subsidiaries of the Company as at 31 December 2018 is \$7,232,372 (2017: \$3,589,235).

(ii) Goodwill

The management determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the goodwill has been allocated. Recoverable amount of the cash-generating unit is determined based on value-in-use. The value-in-use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The carrying amount of the Group's goodwill as at 31 December 2018 was \$3,638,843 (2017: \$2,390,122).

(iii) Loss allowance for impairment of trade receivables

Management determines the expected loss arising from default for trade receivables, by categorizing them based on its historical loss pattern, historical payment profile as well as credit risk profile of customer. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. Specific allowance for impairment of trade receivables was made for those customer identified in financial difficulties during the financial year. A loss allowance amounted to \$32,898 (2017: \$Nil) was recognised as at 31 December 2018.

4. PLANT AND EQUIPMENT

	Computer \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Motor vehicle \$	Total \$
Group						
Cost						
Balance at 1 January 2018	44,688	4,014	20,867	33,666	59,539	162,774
Arising from acquisition of subsidiaries	2,506	289	7,805	-	-	10,600
Additions	5,003	5,010	746	28,067	-	38,826
Written off	(2,752)	-	-	-	-	(2,752)
Balance at 31 December 2018	<u>49,445</u>	<u>9,313</u>	<u>29,418</u>	<u>61,733</u>	<u>59,539</u>	<u>209,448</u>
Accumulated depreciation						
Balance at 1 January 2018	27,558	141	15,274	22,444	1,280	66,697
Depreciation for the financial year	11,734	1,969	10,126	17,289	7,683	48,801
Written off	(2,752)	-	-	-	-	(2,752)
Balance at 31 December 2018	<u>36,540</u>	<u>2,110</u>	<u>25,400</u>	<u>39,733</u>	<u>8,963</u>	<u>112,746</u>
Net carrying amount						
Balance at 31 December 2018	<u>12,905</u>	<u>7,203</u>	<u>4,018</u>	<u>22,000</u>	<u>50,576</u>	<u>96,702</u>
Cost						
Balance at 1 January 2017	51,077	16,258	16,927	33,666	-	117,928
Arising from acquisition of subsidiary	8,611	4,014	3,940	-	59,539	76,104
Written off	(15,000)	(16,258)	-	-	-	(31,258)
Balance at 31 December 2017	<u>44,688</u>	<u>4,014</u>	<u>20,867</u>	<u>33,666</u>	<u>59,539</u>	<u>162,774</u>
Accumulated depreciation						
Balance at 1 January 2017	32,907	16,258	9,494	11,222	-	69,881
Depreciation for the financial year	9,651	141	5,780	11,222	1,280	28,074
Written off	(15,000)	(16,258)	-	-	-	(31,258)
Balance at 31 December 2017	<u>27,558</u>	<u>141</u>	<u>15,274</u>	<u>22,444</u>	<u>1,280</u>	<u>66,697</u>
Net carrying amount						
Balance at 31 December 2017	<u>17,130</u>	<u>3,873</u>	<u>5,593</u>	<u>11,222</u>	<u>58,259</u>	<u>96,077</u>
Balance at 1 January 2017	<u>18,170</u>	<u>-</u>	<u>7,433</u>	<u>22,444</u>	<u>-</u>	<u>48,047</u>

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

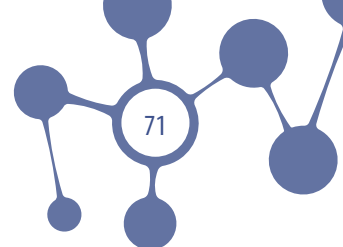
4. PLANT AND EQUIPMENT (CONTINUED)

	Computer \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
Company					
Cost					
Balance at 1 January 2018 and 31 December 2018	31,077	–	16,927	33,666	81,670
Accumulated depreciation					
Balance at 1 January 2018	22,036	–	15,136	22,444	59,616
Depreciation for the financial year	6,004	–	1,791	11,222	19,017
Balance at 31 December 2018	28,040	–	16,927	33,666	78,633
Net carrying amount					
Balance at 31 December 2018	3,037	–	–	–	3,037
Cost					
Balance at 1 January 2017	31,077	16,258	16,927	33,666	97,928
Written off	–	(16,258)	–	–	(16,258)
Balance at 31 December 2017	31,077	–	16,927	33,666	81,670
Accumulated depreciation					
Balance at 1 January 2017	16,032	16,258	9,494	11,222	53,006
Depreciation for the financial year	6,004	–	5,642	11,222	22,868
Written off	–	(16,258)	–	–	(16,258)
Balance at 31 December 2017	22,036	–	15,136	22,444	59,616
Net carrying amount					
Balance at 31 December 2017	9,041	–	1,791	11,222	22,054
Balance at 1 January 2017	15,045	–	7,433	22,444	44,922

As at 31 December 2018, the Group's carrying amounts of motor vehicles and furniture and fittings that were acquired under finance lease were \$50,576 (2017: \$58,259) and \$Nil (2017: \$6,474) respectively.

For the purpose of consolidated statement of cash flows, the Group's additions to plant and equipment during the financial year were financed as follows:

	2018 \$	2017 \$
Additions of plant and equipment	38,826	–
Less: Provision for reinstatement cost	(23,150)	–
Cash payments to acquire plant and equipment	15,676	–



5. INTANGIBLE ASSETS

	Customer listing \$	Goodwill \$	Total \$
Group			
Cost			
Balance at 1 January 2018	50,405	2,390,122	2,440,527
Arising from acquisition of subsidiaries	117,144	1,248,721	1,365,865
Balance at 31 December 2018	167,549	3,638,843	3,806,392
Accumulated amortisation			
Balance at 1 January 2018	933	-	933
Amortisation for the financial year	25,406	-	25,406
Balance at 31 December 2018	26,339	-	26,339
Net carrying amount			
Balance at 31 December 2018	141,210	3,638,843	3,780,053
Remaining useful life at end of financial year	2 – 7 years	Indefinite	
Cost			
Balance at 1 January 2017	-	-	-
Arising from acquisition of subsidiary	50,405	2,390,122	2,440,527
Balance at 31 December 2017	50,405	2,390,122	2,440,527
Accumulated amortisation			
Balance at 1 January 2017	-	-	-
Amortisation for the financial year	933	-	933
Balance at 31 December 2017	933	-	933
Net carrying amount			
Balance at 31 December 2017	49,472	2,390,122	2,439,594
Remaining useful life at end of financial year	8.8 years	Indefinite	

Goodwill arising from the business combinations were related to acquisition of subsidiaries, Nex Healthcare Pte. Ltd. ("Nex"), AccTax Management Consultancy Private Limited ("ACCTAX"), Patceljon Professional Services Pte. Ltd. ("PPS") and Jo-L Consultus Pte. Ltd. ("JO-L").

Amortisation expense was included in "depreciation and amortisation expenses" line item of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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5. INTANGIBLE ASSETS (CONTINUED)

	31 December 2018	31 December 2017	1 January 2017
	\$	\$	\$
Nex	2,433,994	2,439,594	–
ACCTAX	363,654	–	–
PPS	907,539	–	–
JO-L	74,866	–	–
	3,780,053	2,439,594	–

Impairment test of goodwill and customer listing

Goodwill and customer listing with finite life arising from the business combination were related to the business support, medical support and pharmaceutical service segment, of which, each subsidiary is an individual cash-generating units ("CGUs") that are expected to benefit from the business combination except for PPS and Jo-L which are determined as one CGU.

As at 31 December 2018, the recoverable amount of the CGU has been determined based on value-in-use calculations using management-approved discounted cash flow projections covering 5 years (2017: 5 years). Management assessed 5 years cash flows and projection to terminal year for the financial forecast of the CGU as appropriate considering the management's plan for its business plan in the near future. The revenue growth rates are based on management's best estimate and discount rates that reflect current market assessment of the time value of money and the risks specific to the CGUs.

Key assumptions used for value-in-use calculations:

		Revenue growth rate		Pre-tax discount rate	
		2018	2017	2018	2017
Nex	2019	6%	5%	14%	13.9%
	2020	7%	5%	14%	13.9%
	2021-2023	5%	5%	14%	13.9%
ACCTAX	2019	-5%	–	17%	–
	2020	9%	–	17%	–
	2021-2023	5%	–	17%	–
PPS and Jo-L	2019	6%	–	19%	–
	2020	3%	–	19%	–
	2021-2023	6%	–	19%	–
	2022-2023	3%	–	19%	–

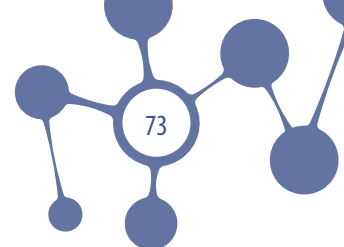
Terminal growth of 1% (2017: 0%) was applied to all CGUs in the cash flows projection to terminal year.

Revenue and terminal growth rates – The forecasted growth rates are based on management's expectations for each CGU from historical trends as well as average growth rates of the industry.

Discount rates – Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

With regards to the assessment of value-in-use for goodwill, management believes that no reasonably possible changes in any key assumptions would cause the recoverable amounts to be below the carrying value of CGUs.

As at the end of the reporting period, the recoverable amount of the CGU was determined to be higher than its carrying amount and therefore, no impairment loss recognised.



6. INVESTMENTS IN SUBSIDIARIES

	31 December 2018 \$	Company 31 December 2017 \$	1 January 2017
Unquoted equity shares, at cost	7,232,372	3,589,235	–

	Company 2018 \$	2017 \$
Unquoted equity investments, at cost		
Balance at beginning of financial year	3,589,235	–
Additions during the financial year	3,643,137	3,589,235
Balance at end of financial year	7,232,372	3,589,235

The details of the subsidiaries are as follows:

Name of company	Principal place of business	Principal activities	Effective equity interest held		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Medinex Corporate Services Pte. Ltd. (Formerly known as Ark Corporate Solutions Pte. Ltd.) ⁽¹⁾	Singapore	Medical support services	100	100	100
Medinex Healthcare Services Pte. Ltd. (Formerly known as JK Bizline Pte. Ltd.) ⁽¹⁾	Singapore	Business support services	100	100	100
Nex Healthcare Pte. Ltd. ⁽¹⁾	Singapore	Medical support services and pharmaceutical services	100	100	–
AccTax Management Consultancy Private Limited ⁽¹⁾	Singapore	Business support services	100	–	–
Patceljon Professional Services Pte Ltd ⁽¹⁾	Singapore	Business support services	100	–	–
Jo-L Consultus Pte. Ltd. ⁽¹⁾	Singapore	Business support services	100	–	–

(1) Audited by BDO LLP, Singapore

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries

Acquisition of Nex Healthcare Pte. Ltd. ("Nex")

On 9 November 2017, the Company acquired 100% equity interest in Nex Healthcare Pte. Ltd. ("**Nex**"), a company incorporated in Singapore. The consideration of \$500,000 was satisfied in full by way of issuance of the Company's shares.

Under the terms of the sale and purchase agreement, the Company and the vendors had also agreed that, in the event the proportion of the profit-after-tax for the operations of each of the Company (excluding Nex's operations) and Nex, for the 12-month period from October 2017 to September 2018, is not 71.165% and 28.835% respectively, the Company shall allot and issue such number of new ordinary shares to the Nex Vendors to reflect the actual ratio of the 12-month profit after tax amounts, up to a maximum aggregate number of ordinary shares equivalent to 10% of the existing share capital of our Company at the point of issue ("Nex-shares Proportion").

In addition, it was agreed among that parties that post-completion of the acquisition of the issued and paid-up share capital of Nex, in the event that the Company increases its issued share capital, the shareholding proportion shall be adjusted accordingly to give effect to the foregoing.

On 3 October 2018, pursuant to the Nex Supplemental Letter, the vendors agreed that cash be paid by the Company's shareholders to the vendors instead of the issuance of new ordinary shares by the Company to the Nex Vendors to supersede Nex-share Proportion agreed above. The aggregate amount of \$121,000 was paid to the Nex Vendors by the Company's shareholders.

Acquisition of AccTax Management Consultancy Private Limited ("ACCTAX")

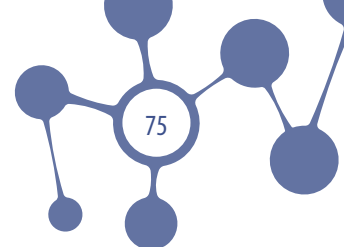
On 5 January 2018, the Company entered into a sale and purchase agreement, pursuant to which the Company acquired 50% equity interest in and obtained control of ACCTAX, a company incorporated in Singapore. The consideration for the acquisition amounted to \$375,000, of which was satisfied in full by cash.

Under the terms of the sale and purchase agreement, the vendor had provided the Group with a profit after tax guarantee of \$450,000 over a three (3)-year period ("**ACCTAX Guaranteed profit**"). The vendor undertakes to pay to ACCTAX's shareholders, in proportion of their respective shareholdings in ACCTAX, a sum based on following formula in the event if the actual aggregate profit after tax is less than guaranteed profit.

On 5 November 2018, the Company entered into the Restructuring Agreement to acquire the remaining 50% equity interest in ACCTAX, for a consideration of \$749,060, which was paid by way of issuance of the Company's shares with fair value of \$1,398 each.

Acquisition of Patceljon Professional Services Pte Ltd ("PPS") and Jo-L Consultus Pte. Ltd. ("Jo-L")

On 15 June 2018, the Company entered into a sale and purchase agreement, pursuant to which the Company acquired 60% equity interest of Patceljon Professional Services Pte Ltd ("**PPS**") and Jo-L Consultus Pte. Ltd. ("**Jo-L**"), both companies which are incorporated in Singapore. The Group has determined the ability to control and direct the relevant activities of the above mentioned entities from 1 July 2018 onwards. The consideration for the acquisition amounted to \$993,781 and \$85,296 respectively, of which was satisfied in full by cash, except for \$53,954 are payable in cash to the vendor subsequent to the end of the reporting period.



6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries (Continued)

Acquisition of Patceljon Professional Services Pte Ltd ("PPS") and Jo-L Consultus Pte. Ltd. ("Jo-L") (Continued)

Under the terms of the sale and purchase agreement, the vendor had provided a profit guarantee that the aggregate profit after tax of PPS and Jo-L shall be at least \$360,000 for each of the financial years ending 31 December 2018 and 31 December 2019 ("**Guaranteed Profit**"). To the extent that the actual audited aggregate profit after tax for the respective financial year is less than 90% of the Guaranteed Profit, the vendor undertakes to pay to PPS and Jo-L's shareholders, in proportion of their respective shareholdings, the shortfall between the actual aggregate profit after tax and the Guaranteed Profit.

On 5 November 2018, the Company entered into the Restructuring Agreement to acquire the remaining 40% equity interest in PPS and Jo-L for an aggregate consideration of \$1,440,000, which was paid by way of issuance of the Company's shares with fair value of \$1,398 each. Pursuant to the acquisitions, PPS and Jo-L became wholly-owned subsidiaries of the Company.

On 3 April 2019, the Company and the vendor entered into a supplemental agreement to amend the method of calculating the actual aggregate profit after tax of PPS and Jo-L for the purposes of the Guaranteed Profit. PPS and Jo-L have met the Guaranteed Profit for the financial year ended 31 December 2018.

The fair values of the identifiable assets and liabilities of the subsidiaries as at the respective dates of acquisition were:

	ACCTAX \$	PPS \$	Jo-L \$	Total \$
2018				
Plant and equipment	9,576	1,024	-	10,600
Intangible assets	42,930	74,214	-	117,144
Investment	-	545	-	545
Trade and other receivables	114,149	71,987	23,417	209,553
Prepayments	4,416	996	-	5,412
Cash and bank balances	5,309	166,518	9,164	180,991
Total assets	<u>176,380</u>	<u>315,284</u>	<u>32,581</u>	<u>524,245</u>
Provisions	-	(4,130)	(1,391)	(5,521)
Trade and other payables	(77,956)	(12,807)	(10,970)	(101,733)
Finance lease payables	(11,193)	-	-	(11,193)
Deferred tax liabilities	(7,298)	(12,616)	-	(19,914)
Current income tax payables	-	(27,466)	(2,835)	(30,301)
Total liabilities	<u>(96,447)</u>	<u>(57,019)</u>	<u>(15,196)</u>	<u>(168,662)</u>
Net identifiable assets at fair value	79,933	258,265	17,385	355,583
Consideration transferred:				
- Purchase consideration	(375,000)	(993,781)	(85,296)	(1,454,077)
- Non-controlling interest measured at the non-controlling interests' proportionate share of net identifiable assets	<u>(39,966)</u>	<u>(103,306)</u>	<u>(6,955)</u>	<u>(150,227)</u>
Goodwill arising from acquisition	<u>(335,033)</u>	<u>(838,822)</u>	<u>(74,866)</u>	<u>(1,248,721)</u>

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

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6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries (Continued)

The fair values of the identifiable assets and liabilities of the subsidiary as at the date of acquisition were:

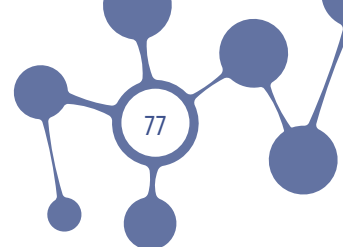
	Nex \$
2017	
Plant and equipment	76,104
Intangible assets	50,405
Inventories	412,279
Trade and other receivables	641,719
Prepayments	6,179
Cash and cash equivalents	567,539
Total assets	<u>1,754,225</u>
Trade and other payables	(532,312)
Finance lease payables	(34,232)
Deferred tax liabilities	(8,568)
Total liabilities	<u>(575,112)</u>
Net identifiable assets at fair value	1,179,113
Fair value of consideration transferred:	<u>(3,569,235)</u>
Goodwill arising from acquisition	<u>(2,390,122)</u>

From the date of acquisition, ACCTAX, PPS and Jo-L have contributed \$927,132 and \$225,222 to the Group's revenue and profit for the financial year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue for the financial year ended 31 December 2018 would have been \$9,507,900 and profit before income tax would have been \$1,395,232.

From the date of acquisition, Nex has contributed \$886,213 and \$39,854 to the Group's revenue and profit for the financial year ended 31 December 2017 respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue for the financial year would have been \$9,507,000 and profit before income tax would have been \$1,395,232.

The effect of acquisition of subsidiaries on the consolidated statement of cash flows were as follows:

	2018 \$	2017 \$
Total purchase consideration	1,454,077	3,569,235
Less: Non-cash consideration	-	(3,569,235)
Less: Cash and cash equivalents of subsidiaries acquired	(180,991)	(567,539)
Less: Consideration payable	(53,954)	-
Net cash outflow/(inflow) on acquisition	<u>1,219,132</u>	<u>(567,539)</u>



6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries (Continued)

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$209,553 (2017: \$641,719) which approximates fair value. It is expected that full contractual amount of receivables can be collected.

Goodwill of \$1,248,721 (2017: \$2,390,122) arising from the acquisitions is attributable to expected synergies that can be achieved in combining the operations of these subsidiaries with the Group such as expanding the Group's presence in Singapore and tapping on the subsidiaries' workforce expertise. These intangibles identified are subsumed into goodwill as they do not meet the recognition criteria for identifiable intangible assets.

Transaction costs related to the acquisition of subsidiaries amounting to \$3,596 (2017: \$2,228) have been recognised in the "other expenses" line item in the Group's profit or loss for the financial year ended 31 December 2018.

During the financial year ended 31 December 2018, pursuant to the further acquisitions of equity interest in ACCTAX, PPS and Jo-L, the effects of changes in the Group's ownership interest in subsidiaries that did not result in change of control, on the equity attributable to owners of the parent were as follows:

	2018	2017
	\$	\$
Consideration transferred:		
– non-cash purchase consideration	2,189,060	–
Less: Non-controlling interest acquired	(240,679)	–
Difference recognised in capital reserves (Note 13)	1,948,381	–

7. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December	Group	1 January
	2018	31 December	2017
	\$	\$	\$
Quoted equity investment, at fair value	780	–	–

	Group	
	31 December	31 December
	2018	2017
	\$	\$
Balance at beginning of financial year	–	–
Arising from acquisition of subsidiary	545	–
Fair value gain recognised through profit or loss	235	–
Balance at end of financial year	780	–

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

7. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The equity investments are quoted shares listed in Singapore. The Group intends to hold these investments for long-term for appreciation in value as well as strategic investments purposes. The investments in listed equity securities have no fixed maturity date nor coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

The currency profile of financial asset at fair value through profit or loss at end of the reporting period is Singapore dollar.

8. INVENTORIES

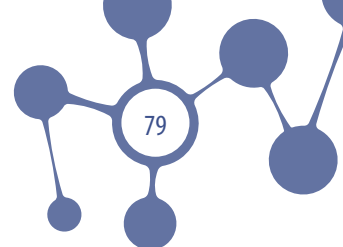
	31 December 2018	Group 31 December 2017	1 January 2017
	\$	\$	\$
Medical and pharmaceutical products for resale	472,951	452,361	–

During the financial year ended 31 December 2018, the Group recognised an amount of \$5,413 (2017: \$Nil) in profit or loss, being part of an inventory write-down during the financial year as the inventories had expired.

The cost of inventories recognised as an expense in the Group's profit or loss amounted to \$3,308,519 (2017: \$490,076).

9. TRADE AND OTHER RECEIVABLES

	31 December 2018	Group 31 December 2017	1 January 2017	31 December 2018	Company 31 December 2017	1 January 2017
	\$	\$	\$	\$	\$	\$
Trade receivables						
– third parties	1,120,613	743,768	247,085	–	250,000	–
– corporate shareholder	12,812	13,391	–	–	–	–
– related parties	57,300	–	–	–	–	–
	1,190,725	757,159	247,085	–	250,000	–
Loss allowance on receivables	(32,898)	–	–	–	–	–
	1,157,827	757,159	247,085	–	250,000	–
Other receivables						
– third parties	7,775	145,234	–	–	–	–
– subsidiaries	–	–	–	2,106,315	54,431	159,627
– related parties	–	–	1,410	–	–	–
– former director of the Company	–	–	158,217	–	–	–
Goods and services tax recoverable, net	9,283	–	–	63,107	–	–
Deposits	54,679	47,370	1,200	520	520	750
Accrued revenue	23,417	23,750	33,635	–	–	–
	1,252,981	973,513	441,547	2,169,942	304,951	160,377



9. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables are generally ranging from 0 to 90 days (2017: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The non-trade amounts due from former director of the Company and related parties included expenses paid on behalf for related parties, which are unsecured, non-interest bearing and repayable on demand.

The non-trade amount due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

Accrued revenue arises from rendering of services mainly due to the services rendered and revenue recognition but it has not reached its agreed billing milestone at each end of financial period do not necessarily equal to the amount of revenue recognised on the contracts.

The Group determined, by reference to past default experience and expected credit losses ("ECL") which incorporate forward looking estimates. In calculating the ECL rates, the Group considers historical loss rates for each aging bracket of customers and adjust for forward looking macroeconomic data that may affect the ability of the debtors to settle receivables.

The Board of Directors has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The Board of Directors assess the risk of default is considered to be minimal as these subsidiaries are able to repay on demand. Therefore, amount due from subsidiaries has been measured based on 12-month expected credit loss model and subject to immaterial credit loss.

The Group recognises recognises lifetime ECL for trade receivables based on individually significant customers or the ageing of customers collectively that are not individually significant. At the reporting period, the analysis of trade receivables and the carrying amount of allowances for impairment loss are as follows:

	ECL Weightage	Gross carrying amount \$	Allowance for impairment loss \$	Net carrying amount \$
Group				
As at 31 December 2018				
Other customers collectively assessed				
Not past due	-	545,048	-	545,048
Past due less than 1 month	-	269,838	-	269,838
Past due 1 to 2 months	-	151,402	-	151,402
Past due 2 to 3 months	3%	76,978	2,086	74,892
Past due over 3 months	5%	122,485	5,838	116,647
		1,165,751	7,924	1,157,827
Credit impaired customers		24,974	24,974	-
		1,190,725	32,898	1,157,827

The individually impaired trade receivables relate mainly due to those customers who were given extended credit terms and collection efforts.

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9. TRADE AND OTHER RECEIVABLES (CONTINUED)

As disclosed in Note 2.9 in the financial statements, the impairment of trade receivables in prior years was assessed based on objective evidence that the estimated future cash flows have been impacted. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The Group's credit risk exposure in relation to trade receivables under FRS 39 as at 31 December 2017 and 1 January 2017 are reflected in the age analysis as at reporting period that are past due but not impaired is as follows:

	Group	
	31 December 2017	1 January 2017
	\$	\$
Past due less than 1 month	214,324	89,170
Past due 1 to 2 months	89,529	47,080
Past due 2 to 3 months	42,347	43,372
Past due over 3 months	34,127	67,463

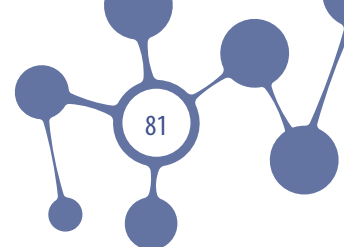
Movements in allowance for impairment loss on third parties trade receivables were as follows:

	Group	
	2018	2017
	\$	\$
Balance at beginning of financial year under FRS 39	-	-
Application of SFRS(I) 9	6,519	-
Balance at beginning of financial year under SFRS(I) 9	6,519	-
Allowance made during the financial year	26,379	-
Balance at end of financial year	32,898	-

The currency profile of trade and other receivables as at the end of the reporting period is Singapore dollar.

10. CASH AND CASH EQUIVALENTS

	Group			Company		
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	\$	\$	\$	\$	\$	\$
Fixed deposits	4,150,234	1,600,000	-	3,000,000	1,600,000	-
Cash and bank balances	4,982,089	1,466,874	413,769	3,410,742	560,301	129,558
	9,132,323	3,066,874	413,769	6,410,742	2,160,301	129,558



10. CASH AND CASH EQUIVALENTS (CONTINUED)

Fixed deposits are placed for a period of 12 months (2017: 6 to 12 months) and bear effective interest rates ranging from 1.45% to 1.96% (2017: 1.30%) per annum. These fixed deposits are included in the cash and cash equivalents in the consolidated statement of cash flows as there is no significant cost or penalty in converting the fixed deposits into cash before maturity.

The currency profile of cash and cash equivalents as at the end of the reporting period is Singapore dollar.

11. SHARE CAPITAL

	Group					
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	Number of shares			\$		
Issued and fully paid	131,207,540	17,040	30,002	14,163,317	5,627,237	30,002

The share capital as at 1 January 2017 represents the issued and paid up capital of the Company and the aggregation of the Group's interest in the issued and paid up capital of all subsidiaries under common control.

	Company					
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	Number of shares			\$		
Issued and fully paid	131,207,540	17,040	10,002	14,163,317	5,627,237	10,002

	Group and Company	
	Number of ordinary shares	\$
31 December 2018		
Issued and fully-paid:		
Balance at beginning of financial year	17,040	5,627,237
Issuance of ordinary shares pursuant to the acquisition of subsidiaries ⁽ⁱ⁾	1,566	2,189,060
	18,606	7,816,297
Sub-division of shares ⁽ⁱⁱ⁾	103,988,934	-
Issuance of shares in satisfaction of professional fee ⁽ⁱⁱⁱ⁾	1,200,000	300,000
Issuance of shares pursuant to an initial public offering exercise ^(iv)	26,000,000	6,500,000
Share issue expenses ^(v)	-	(452,980)
Balance at end of financial year	131,207,540	14,163,317

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

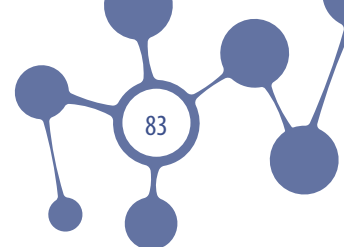
11. SHARE CAPITAL (CONTINUED)

- (i) Pursuant to the restructuring exercise, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 1,566 new ordinary shares on 9 November 2018 at an issue price of \$1,398 per ordinary share. The total share consideration of \$2,189,060 as a partial payment pursuant to acquisition of new subsidiaries.
- (ii) On 9 November 2018, the shareholders of the Company approved the sub-division of each existing issued ordinary share into 103,988,934 ordinary shares in the issued capital of the Company.
- (iii) On 14 December 2018, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 1,200,000 new ordinary shares at an issue price of \$0.25 per share amounting to \$300,000 as payment of professional fee.
- (iv) On 14 December 2018, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 26,000,000 new ordinary shares at an issue price of \$0.25 per ordinary share for cash consideration of \$6,500,000 pursuant to an initial public offering.
- (v) Included in these expenses is an allocation portion of professional fees paid to the independent auditors of the Company in respect of professional services rendered as independent reporting auditors in connection with the Company's initial public offering. The allocation portion of professional fees amounted to \$37,620.

	Group		Company	
	Number of ordinary shares	\$	Number of ordinary shares	\$
31 December 2017				
Issued and fully-paid:				
Balance at beginning of financial year	30,002	30,002	10,002	10,002
Restructuring exercise ^(vi) (Note 1.2)	(20,000)	(20,000)	–	–
Issuance of ordinary shares pursuant to the acquisition of subsidiaries ^(vii)	4,053	3,569,235	4,053	3,569,235
Issuance of ordinary shares ^(viii)	2,985	2,048,000	2,985	2,048,000
Balance at end of financial year	17,040	5,627,237	17,040	5,627,237

- (vi) On 16 May 2017, the Company acquired 100% equity interests in Medinex Healthcare Pte. Ltd. and Medinex Corporate Services Pte. Ltd. for a total cash consideration of \$20,000 due to restructuring exercise as disclosed in Note 1.2 to the financial statements. This is reflected as adjustment pursuant to restructuring exercise.
- (vii) On 9 November 2017, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 4,053 new ordinary shares at an approximate issue price of \$881 per share for a total consideration of \$3,569,235 as a payment to an acquisition of Nex as disclosed in Note 6 to the financial statements.
- (viii) On 9 November 2017, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 597 new ordinary shares at an approximate issue price of \$80 per share for cash consideration of \$48,000.
On 30 November 2017, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 2,388 new ordinary shares at an approximate issue price of \$838 per share for cash consideration of \$2,000,000.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

**12. RETAINED EARNINGS**

	31 December 2018	Company 31 December 2017	1 January 2017
	\$	\$	\$
Retained earnings	1,511,797	386,936	90,045

Movements in retained earnings of the Company are as follows:

	Company	
	2018	2017
	\$	\$
Balance at beginning of financial year	386,936	90,045
Total comprehensive income for the financial year	1,124,861	496,891
Dividends	–	(200,000)
Balance at end of financial year	1,511,797	386,936

13. CAPITAL RESERVE**Group**

The capital reserves relates to the difference between the change in non-controlling interests when acquiring additional equity interests in subsidiaries and the fair value of the consideration given for the acquisition.

14. FINANCE LEASE PAYABLES

	Minimum lease payments	Future finance charges	Present value of minimum lease payments
	\$	\$	\$
Group			
31 December 2018			
Current liabilities			
Not later than one financial year	6,442	(865)	5,577
Non-current liabilities			
Later than one financial year but not later than five financial years	4,680	(747)	3,933
	11,122	(1,612)	9,510
Group			
31 December 2017			
Current liabilities			
Not later than one financial year	25,500	(2,099)	23,401
Non-current liabilities			
Later than one financial year but not later than five financial years	2,122	(175)	1,947
	27,622	(2,274)	25,348

NOTES TO THE FINANCIAL STATEMENTS

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14. FINANCE LEASE PAYABLES (CONTINUED)

There was no finance lease payables as at 1 January 2017.

The finance lease terms range from 3 to 5 years (2017: 3 years) for the financial year ended 31 December 2018.

The effective interest rate charged for the finance lease obligations range from 3.03 % to 3.86% (2017: 5.66%) per annum for the financial year ended 31 December 2018. The finance leases are secured on the plant and equipment purchased under finance lease arrangements.

As at the end of the reporting period, the fair values of the Group's finance lease payables approximate their carrying amounts. All finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The currency profile of finance lease payables as at the end of the reporting period is Singapore dollar.

15. DEFERRED TAX LIABILITIES

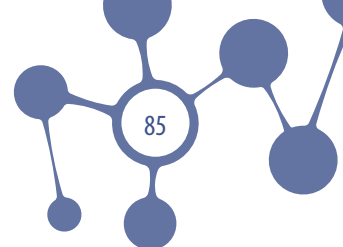
	31 December 2018	Group 31 December 2017	1 January 2017
	\$	\$	\$
Deferred tax liabilities	24,004	8,409	–

	Group	
	2018	2017
	\$	\$
Balance at beginning of financial year	8,409	–
Arising from acquisition of subsidiaries	19,914	8,568
Credited to profit or loss	(4,319)	(159)
Balance at end of financial year	24,004	8,409

Deferred tax liabilities are attributable to temporary differences arising from accelerated tax depreciation computed at Singapore's income tax rate of 17% (2017: 17%).

16. PROVISIONS

	31 December 2018	Group 31 December 2017	1 January 2017
	\$	\$	\$
Provisions for reinstatement cost	28,671	–	–



16. PROVISIONS (CONTINUED)

	Group	
	31 December 2018	31 December 2017
	\$	\$
Balance at beginning of financial year	-	-
Arising from acquisition of subsidiaries	5,521	-
Provision made	23,150	-
Balance at end of financial year	28,671	-

The provision for reinstatement cost is the estimated cost of dismantlement, removal or restoration of plant and equipment arising from the acquisition or use of asset, which is capitalised and included in the cost of plant and equipment.

17. TRADE AND OTHER PAYABLES

	Group			Company		
	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
	\$	\$	\$	\$	\$	\$
Trade payables						
– third parties	311,040	445,367	-	-	-	-
Other payables						
– third parties	39,318	60,676	30,510	85,354	1,187	-
– subsidiaries	-	-	-	-	14,240	1,370
– related parties	64,612	-	702	-	-	-
– directors of the Company	727	23,711	-	-	4,119	-
– former director of the Company	-	-	63,711	-	-	-
Goods and services tax payable, net	-	48,248	-	-	-	-
Accrued expenses	397,306	144,972	15,306	123,887	30,343	42,533
Deferred revenue	83,262	36,504	14,960	-	-	-
Service fee received in advance	58,277	54,053	-	-	-	-
	954,542	813,531	125,189	209,241	49,889	43,903

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

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17. TRADE AND OTHER PAYABLES (CONTINUED)

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 60 (2017: 30 to 60) days' credit terms.

The non-trade amounts due to related parties, directors of the Company and former director of the Company are unsecured, non-interest bearing and repayable on demand.

Service fee received in advance are service to be delivered in future financial years.

Deferred revenue represents unrecognised revenue from corporate secretarial services to be performed in future financial years.

The currency profile of trade and other payables as at the end of the reporting period is Singapore dollar.

18. BANK BORROWINGS

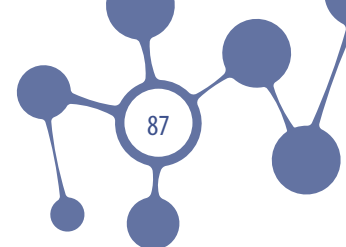
	31 December 2018	Group 31 December 2017	1 January 2017
	\$	\$	\$
Term loans			
– portion of bank loans due for repayment within one year which are subject to a repayment on demand clause	–	–	76,550
– portion of bank loans due for repayment after one year which are subject to a repayment on demand clause	–	–	343,062
	–	–	419,612
		Company	
	31 December 2018	31 December 2017	1 January 2017
	\$	\$	\$
Term loan			
– portion of bank loan due for repayment within one year which are subject to a repayment on demand clause	–	–	41,102
– portion of bank loan due for repayment after one year which are subject to a repayment on demand clause	–	–	178,740
	–	–	219,842

The term loans were repayable over 59 monthly instalments comprising principal and interest. The effective interest rate on the term loan is at 6.50% per annum. The term loan was secured by personal guarantee for \$444,000 by a former director of the Company.

The term loans due for repayment after one year which were classified as current liabilities that are subject to a repayment on demand clause was not expected to be settled within one year.

The term loan were fully repaid during the financial year ended 31 December 2017.

The currency profile of the bank borrowings as at the end of the respective reporting periods is Singapore dollar.



19. REVENUE

	Group	
	2018	2017
	\$	\$
Service fee	4,907,639	2,365,649
Sale of medical and pharmaceutical products	4,100,782	668,003
	9,008,421	3,033,652

Disaggregation of revenue

The Group has disaggregated revenue into various categorical in the following table which is intended to:

- (i) depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and
- (ii) enable users to understand the relationship with revenue segment information provided in Note 30 to the financial statements.

Business segment	Medical support services		Business support services		Pharmaceutical services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Type of good or service								
Service fee	3,153,393	1,357,633	1,754,246	1,007,926	-	-	4,907,639	2,365,559
Sale of medical and pharmaceutical products	-	-	-	-	4,100,782	668,093	4,100,782	668,093
	3,153,393	1,357,633	1,754,246	1,007,926	4,100,782	668,093	9,008,421	3,033,652
Timing of transfer of goods and service								
Point in time	3,055,106	1,355,233	1,595,799	909,076	4,100,782	668,093	8,751,687	2,932,402
Over time	98,287	2,400	158,447	98,850	-	-	256,734	101,250
	3,153,393	1,357,633	1,754,246	1,007,926	4,100,782	668,093	9,008,421	3,033,652

- (iii) Remaining performance obligation

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, is not disclosed.

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20. OTHER INCOME

	Group	
	2018	2017
	\$	\$
Government grants	36,888	14,108
Gain on fair value of financial assets through profit or loss	235	–
Interest income	11,440	325
Allowance for impairment loss on doubtful debts written back	8,721	–
Rental income	13,241	–
Others	2,000	2,417
	72,525	16,850

21. EMPLOYEE BENEFITS EXPENSE

	Group	
	2018	2017
	\$	\$
Directors' fees		
– Directors of the Company	8,125	–
– Directors of the subsidiaries	3,700	3,500
Salaries, bonuses and other staff benefits	2,356,283	1,046,806
Contributions to defined contribution plans	252,574	114,862
	2,620,682	1,165,168

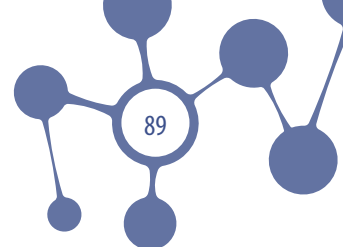
Included in the employee benefits expense were the remuneration of Directors of the Company and key management personnel of the Group, as set out in Note 29 to the financial statements.

22. DEPRECIATION AND AMORTISATION EXPENSES

	Group	
	2018	2017
	\$	\$
Depreciation of plant and equipment	48,801	28,074
Amortisation of intangible assets	25,406	933
	74,207	29,007

23. FINANCE COSTS

	Group	
	2018	2017
	\$	\$
Finance lease interest	2,788	1,396

**24. PROFIT BEFORE INCOME TAX**

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2018	2017
	\$	\$
<i>Other expenses</i>		
Audit fees		
– auditors of the Company	85,000	–
Bad debts written off	6,652	30,234
Initial public offering expenses*	1,062,356	–
Secretarial cost	96,505	57,337
Professional fees	22,149	59,337
Operating lease expenses		
– rental of premises	271,371	153,965
– rental of other operating facilities	4,662	–

* Included in these expenses were professional fees paid to the external auditors of the Company amounting to \$153,140 (2017: \$Nil) in respect of an allocated portion of professional services rendered as independent reporting auditors in connection with the Company's initial public offering. The other portion of the professional fees rendered as independent reporting auditors, amounting to \$36,860 (2017: \$Nil) was charged to share issues expenses under share capital.

25. INCOME TAX EXPENSE

	Group	
	2018	2017
	\$	\$
Current income tax		
– current financial year	263,620	54,631
– under provision in prior financial year	2,217	–
	265,837	54,631
Deferred tax		
– current financial year	(4,319)	(159)
Total income tax expense recognised in profit or loss	261,518	54,472

Reconciliation of effective income tax rate

	Group	
	2018	2017
	\$	\$
Profit before income tax	1,168,583	992,606
Income tax calculated at Singapore's statutory income tax rate of 17% (2017: 17%)	198,659	168,743
Tax effect of non-deductible expenses for income tax purposes	199,183	5,240
Tax effect of income not subject to income tax	(40)	–
Tax effect of tax exempt income	(100,174)	(75,636)
Corporate tax rebate and incentive	(31,864)	(34,204)
Tax effect of enhanced deduction/allowance	(19,305)	(6,927)
Under provision of current income tax in prior financial years	2,217	–
Others	12,842	(2,744)
	261,518	54,472

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

26. EARNINGS PER SHARE

The calculation for earning per share is based on:

	Group	
	2018	2017
Profit attributable to owners of the parent (\$)	816,613	938,134
Weighted-average number of ordinary shares used in issue during the financial year applicable to earnings per share	98,459,684	60,748,107
<i>Earnings per share (in cents)</i>		
– Basic and diluted	0.83	1.54

The calculations of basic earnings per share are based on profit attributable to owners of the parent divided by the weighted average number of ordinary shares outstanding during the financial year.

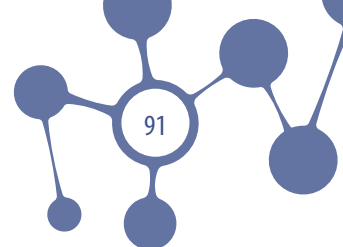
The number of ordinary shares used for the calculation of earnings per share in a common control combination, which is accounted for using merger accounting, was the aggregate of the number of shares of the Company whose shares are outstanding after the combination. The 18,606 ordinary shares in the Company was sub-divided into 103,988,934 ordinary shares, which changed the number of ordinary shares outstanding without a corresponding change in resources.

The diluted earnings per share for the financial years ended 31 December 2018 and 31 December 2017 are same as the basic earnings per share as there were no dilutive potential ordinary shares.

27. DIVIDENDS

	Group	
	2018	2017
	\$	\$
Medinex Limited paid the following dividends:		
First interim tax exempt dividend of \$20 per ordinary share for financial year ended 31 December 2017	–	200,000
Medinex Corporate Services Pte. Ltd. paid the following dividends to the owners prior to the Restructuring Exercise:		
Tax exempt interim dividend of \$41 per ordinary share for financial year ended 31 December 2017	–	410,000
Medinex Healthcare Pte. Ltd. paid the following dividends to the owners prior to the Restructuring Exercise:		
Tax exempt interim dividend of \$35 per ordinary share for financial year ended 31 December 2017	–	150,000
	–	760,000

The Board of Directors proposed that a final dividend of \$0.0084 (2017: \$Nil) per ordinary share amounting to \$1,102,143 (2017: \$Nil) to be paid for the financial year ended 31 December 2018. These dividends have not been recognised as a liability as at the end of the reporting period as it is subject to the approval of the shareholders at the Annual General Meeting.

**28. OPERATING LEASE COMMITMENTS****The Group and the Company as lessee**

The Group and the Company lease office and other operating facilities under non-cancellable operating leases. The operating lease commitments are based on existing rental rates. The leases have lease terms ranging from 1 to 5 years and rentals are fixed during the lease terms.

As at the end of the reporting period, the future minimum lease payable under non-cancellable operating leases contracted for but not recognised as liabilities were as follows:

	Group	
	2018	2017
	\$	\$
Within one financial year	245,610	184,484
After one financial year but within five financial years	439,550	312,079
More than five financial years	240,000	220,000
	925,160	716,563

The above operating lease commitments are based on existing rental rates at the end of the reporting period.

The Group as lessors

The Group subleases its office spaces under non-cancellable operating leases. These non-cancellable leases have remaining lease terms of 48 (2017: Nil) months.

The future minimum lease receivables under non-cancellable operating leases contracted for as at the end of the reporting period but not recognised as receivables, are as follows:

	Group	
	2018	2017
	\$	\$
Within one financial year	30,000	–
After one financial year but within five financial years	90,000	–
	120,000	–

The above operating lease receivables are based on existing rental rates at the end of the reporting period.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these consolidated financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

NOTES TO THE FINANCIAL STATEMENTS

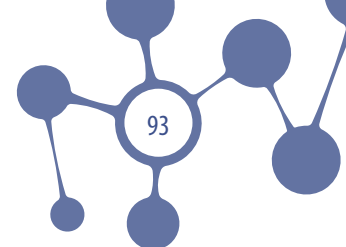
MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions at rates and terms agreed between the Group and the Company with related parties during the financial year:

	Group		Company	
	2018	2017	2018	2017
	\$	\$	\$	\$
With corporate shareholder				
Sales of medicine	89,641	14,398	-	-
With controlling shareholders of corporate shareholder				
Services rendered fee	110,252	36,590	-	-
With subsidiaries				
Expenses paid on behalf of	-	-	298,412	70,873
Expenses paid on behalf by	-	-	-	29,312
Management fee income	-	-	930,000	965,000
Dividend income	-	-	2,080,000	-
Collection on behalf for	-	-	15,136	-
Collection on behalf by	-	-	3,596	-
With related parties				
Collection on behalf for	-	14,758	-	-
Service rendered fee	204,387	5,530	-	-
Sales of medicine	14,823	-	-	-
Rental expense	153,868	138,400	-	-
Management fee income	-	127,500	-	127,500
HR outsource expense	54,400	50,900	54,400	47,750
With director of the Company				
Advances from/(to)	2,559	58,595	2,559	(165,649)
Consideration for acquisition of subsidiaries	-	20,000	-	20,000
Expenses paid on behalf of	-	20,762	-	-



29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Key management personnel are directors of the Company and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly.

The remuneration of directors and other key management personnel of the Group during the financial years ended 31 December 2018 and 31 December 2017 were as follows:

	Group	
	2018	2017
	\$	\$
Directors of the Company		
– short-term employee benefits	459,788	187,500
– post-employment benefits	25,500	12,240
– director’s fees	8,125	–
	493,413	199,740
Other key management personnel		
– short-term employee benefits	445,160	286,680
– post-employment benefits	41,798	35,046
– directors’ fees	3,700	3,500
	490,658	325,226

30. SEGMENT INFORMATION

Business segment

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has three primary business segments, which are that of medical support services, business support services and pharmaceutical services.

Medical support services business segment provides professional services to clients in primary and secondary healthcare sectors comprising general practitioners and specialists.

Business support services business segment provides professional services to customer base who are outside from healthcare industry.

Pharmaceutical services business segment provides distribution of medical and pharmaceutical products to clinics located in Singapore.

Unallocated expenses include corporate headquarter which are not directly attributable to a particular reportable segment above.

The Group’s reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

NOTES TO THE FINANCIAL STATEMENTS

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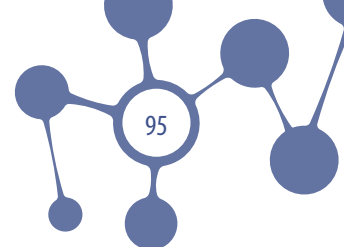
30. SEGMENT INFORMATION (CONTINUED)

Business segment (Continued)

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets, liabilities and expenses.

	Medical support services \$	Business support services \$	Pharmaceutical services \$	Unallocated expenses \$	Consolidated \$
2018					
Revenue					
External revenue	3,153,393	1,754,246	4,100,782	–	9,008,421
Profit from operations					
Interest income	96	276	96	10,972	11,440
Inventories and consumables	–	–	3,308,519	–	3,308,519
Finance costs	–	690	2,098	–	2,788
Depreciation and amortisation	8,939	31,804	14,447	19,017	74,207
Employee benefits expense	713,929	722,538	532,238	651,977	2,620,682
Income tax expense	169,860	56,947	25,570	9,141	261,518
Reportable segment profit before income tax	1,409,363	567,672	154,131	(962,583)	1,168,583
Net profit for the financial period after income tax	1,239,504	510,725	128,561	(971,725)	907,065
<u>Other information:</u>					
Segment assets	2,220,809	1,142,512	1,127,430	10,339,246	14,829,997
Segment liabilities	609,207	323,519	154,947	215,146	1,302,819
2017					
Revenue					
External revenue	1,357,633	1,007,926	668,093	–	3,033,652
Profit from operations					
Interest income	163	–	162	–	325
Inventories and consumables	–	–	490,076	–	490,076
Finance costs	–	–	1,396	–	1,396
Depreciation and amortisation	866	25,993	2,148	–	29,007
Employee benefits expense	198,474	845,042	121,652	–	1,165,168
Income tax expense	20,152	29,207	5,113	–	54,472
Reportable segment profit before income tax	396,414	554,997	41,195	–	992,606
Net profit for the financial period after income tax	376,262	525,790	36,082	–	938,134
<u>Other information:</u>					
Segment assets	1,002,950	4,888,002	1,144,637	–	7,035,589
Segment liabilities	184,376	146,794	575,034	–	906,204



30. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's revenue and assets are mainly derived from Singapore, accordingly, no geographical segment information is presented.

Major customers

The Group's revenue attributable to 1 (2017: 2) customer represent 41.25% and 24.89% and of total revenue for the financial years ended 31 December 2018 and 31 December 2017 respectively. Revenue from certain customers (named alphabetically A to B) of the Group's medical support services of \$Nil and \$144,994 for the financial years ended 31 December 2018 and 31 December 2017, respectively, and pharmaceutical services of \$3,715,798 and \$610,114 for the financial years ended 31 December 2018 and 31 December 2017, respectively. The details of these customers which individually contributed approximately 5 percent or more of the Group's revenue in the financial years are as follows:

	2018		2017	
	\$	%	\$	%
Customer A	-	-	144,994	4.78
Customer B	3,715,798	41.25	610,114	20.11
	3,715,798	41.25	755,108	24.89

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Group's and the Company's activities expose them to credit risks and liquidity risks arising in the ordinary course of business. The Group and the Company are not exposed to foreign currency risks as its transactions are carried out in Singapore dollar. The Group's and the Company's overall risk management strategy seek to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establish the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which the risks are managed and measured. The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

31.1 Credit risks

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the Company perform ongoing credit evaluation of its counterparties' financial condition and generally do not require collaterals.

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MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

31.1 Credit risks (Continued)

The Group and the Company do not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics, except as follows:

- (a) The Group has outstanding trade receivables from 1 customer which represent 60.43% and 30.29% of total trade receivables balance as at 31 December 2018 and 31 December 2017 respectively.

The Group defines counterparties as having similar characteristics if they are related entities. Ongoing evaluation is performed on the financial condition of trade receivables.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group and the Company. Please refer to Note 9 to the financial statements for further information on loss allowance movement.

The carrying amounts of financial assets recorded in the consolidated financial statements, grossed up for any allowances for losses, represents the Group's and the Company's maximum exposure to credit risks. The Group and the Company do not hold any collateral.

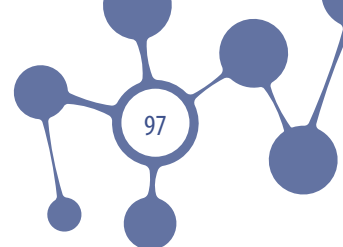
The Group's and the Company's major classes of financial assets are bank deposits and trade and other receivables. The bank deposits are held with banks which are independently rated parties with minimum rating "AA" and above.

Cash and cash equivalents

A significant amount of cash and cash equivalents are held with the financial institutions with the following credit ratings:

	Rating	Group Bank balance \$	Fixed deposits \$	Rating	Company Bank balance \$	Fixed deposits \$
31 December 2018						
International banks	AA/A	<u>4,980,944</u>	<u>4,150,234</u>	AA/A	<u>3,410,742</u>	<u>3,000,000</u>
31 December 2017						
International banks	AA/A	<u>1,875,210</u>	<u>1,600,000</u>	AA/A	<u>560,301</u>	<u>1,600,000</u>
1 January 2017						
International banks	AA/A	<u>413,769</u>	<u>–</u>	AA/A	<u>129,558</u>	<u>–</u>

The credit rating above are derived from Moody's and Fitch ratings. The Board of Directors monitors the credit ratings of counterparties regularly. Impairment of cash and cash equivalents has been measured based on 12-month expected credit loss model. At the reporting date, the Group and Company did not expect any credit losses from non-performance by the counterparties.



31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

31.2 Liquidity risks

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to ensure that all payment needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

Contractual maturity analysis

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The tables have been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to pay.

	Within 1 year \$	Between 1 and 5 years \$	Total \$
Group			
At 31 December 2018			
Trade and other payables	813,003	–	813,003
Finance lease payables	6,442	9,000	15,442
	819,445	9,000	828,445
At 31 December 2017			
Trade and other payables	674,726	–	674,726
Finance lease payables	25,500	2,122	27,622
	700,226	2,122	702,348
At 1 January 2017			
Trade and other payables	110,229	–	110,229
Bank borrowings	419,612	–	419,612
	529,841	–	529,841
Company			
At 31 December 2018			
Trade and other payables	209,241	–	209,241
At 31 December 2017			
Trade and other payables	49,889	–	49,889
At 1 January 2017			
Trade and other payables	43,903	–	43,903
Bank borrowings	251,578	–	251,578
	295,481	–	295,481

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

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31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

31.3 Capital management policies and objectives

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

The Group and the Company manage their capital structure which consist of equity attributable to owners of the parent, comprising issued share capital and retained earnings as disclosed in Notes 11 and 12 to the financial statements and make adjustments to it, in light with changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2017 and 31 December 2018.

As at 31 December 2018 and 31 December 2017, the gearing ratio is not meaningful as cash and cash equivalents are more than the Group's and the Company's total liabilities.

The Group and the Company did not have externally imposed capital requirements for the financial years ended 31 December 2018 and 31 December 2017.

31.4 Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and other financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value hierarchy

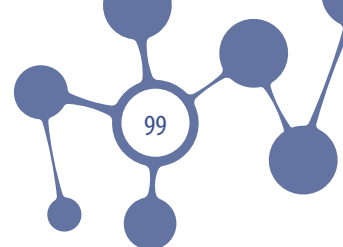
The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial assets at the fair value through profit and loss are calculated using quoted prices (Level 1 of fair value hierarchy).

The carrying amounts of the current financial assets and current financial liabilities that are not carried at fair value approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

The fair values of non-current financial liabilities that are not carried at fair value in relation to finance lease payables and bank borrowings approximate their carrying amounts as disclosed in Note 14 and Note 18 to the financial statements respectively.

**31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)****31.5 Categories of financial instruments**

The following table sets out the financial instruments as at the end of the reporting period:

	Group	Company
	\$	\$
31 December 2018		
Financial assets, at fair value through profit or loss	780	-
Financial assets, at amortised cost	10,352,605	8,517,577
Financial liabilities, at amortised cost	(826,144)	(209,241)
	9,527,241	8,308,336
31 December 2017		
Loan and receivables	4,040,387	2,465,252
Financial liabilities, at amortised cost	(700,074)	(49,889)
	3,340,313	2,415,363
1 January 2017		
Loan and receivables	855,316	289,935
Financial liabilities, at amortised cost	(529,841)	(263,745)
	325,475	26,190

32. COMPARATIVE FIGURES

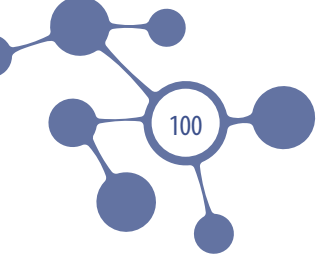
32.1 The comparative figures of the Group for the preceding year have been presented under pooling-of-interest method. The effective date of the pooling-of-interest for accounting purposes predates 1 January 2017, the beginning of the financial year for which comparative figures are being presented, as if the Group has been under common control prior to 1 January 2017.

32.2 The financial statements for the financial year ended 31 December 2017 have not been audited as the Group and the Company were exempted from audit requirement pursuant to the provision of the Act.

33. EVENTS AFTER THE REPORTING PERIOD**33.1 Acquisition of Sen Med Holdings Pte. Ltd. ("Sen Med")**

On 23 January 2019, the Company entered into a sale and purchase agreement for the acquisition of 50.0% equity interest in Sen Med with cash consideration of \$1,732,500. The management determined that the Group obtained control over Sen Med after the end of reporting period and recognised them as subsidiary.

The Company is in the midst of finalising the purchase price allocation report of this acquisition. Accordingly, no disclosure on the effect of the acquisitions have been made under the requirements of SFRS(I) 3 as the fair values of the net assets of the acquiree are not determinable as at the date of this report.



NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

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33. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

33.2 Acquisition of Ark Leadership & Learning Pte. Ltd. ("ALL")

On 26 March 2019, the Company entered into a sale and purchase agreement for the acquisition of 100% equity interest in ALL. The acquisition amounting to \$1,080,000 will be settled by cash payment of \$408,000 and the remaining portion will be settled by issuance of shares. The acquisition is not completed as at date of this report.

34. CONVERGENCE TO SFRS(I)

The Group transitioned to SFRS(I) on 1 January 2018. In transitioning to SFRS(I), the Group is required to apply all of the specific transition requirements under SFRS(I) 1 *First-time Adoption of SFRS(I)*.

The accounting policies set out in Note 2 to the financial statements comply with SFRS(I) effective on 1 January 2018. These accounting policies have been applied in preparing the financial statements of the Group for the financial year ended 31 December 2018, as well as comparative information presented in these financial statements for the financial year ended 31 December 2017 and in the preparation of the opening statements of financial position at 1 January 2017 ("date of transition").

(a) Optional exemptions applied

The Group applied the following exemptions in preparing their first set of financial statements in accordance with SFRS(I):

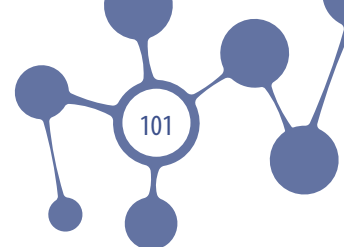
Short-term exemption on adoption of SFRS(I) 9 *Financial Instruments*

The Group applied the short-term exemptions upon adoption of SFRS(I) 9 on 1 January 2018. As a result, the financial instruments included in the comparatives have been accounted for in accordance with SFRS(I) 39 *Financial Instruments: Recognition and Measurement*. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosure* on the disclosure requirements in relation to SFRS(I) 9.

Practical expedients on adoption of SFRS(I) 15 *Revenue from Contracts with Customers*

On 1 January 2017, the Group applied the transitional provisions under SFRS(I) 15:108 and has used the following practical expedients:

- the Group did not restate contracts that (i) completed prior to or on 1 January 2017 and (ii) begin and end within the same financial year;
- for completed contracts with variable consideration, the Group has used the transaction price at the date the contract was completed rather than estimating variable consideration amounts in the comparative reporting period;



34. CONVERGENCE TO SFRS(I) (CONTINUED)

(b) Reconciliation of the Group's equity reported in accordance with FRS to SFRS(I)

	Note	As reported under FRS \$	Effects of applying SFRS (I) 15 \$	As reported under SFRS (I) \$
As at 1 January 2017				
ASSETS				
Non-current assets				
Plant and equipment		48,047	–	48,047
Current assets				
Trade and other receivables	(ii)	407,912	33,635	441,547
Prepayments		35,800	–	35,800
Cash and bank balances		413,769	–	413,769
		857,481	33,635	891,116
Total assets		905,528	33,635	939,163
EQUITY AND LIABILITIES				
Equity				
Share capital		30,002	–	30,002
Retained earnings	(ii)	295,944	28,070	324,014
Total equity		325,946	28,070	354,016
Current liabilities				
Trade and other payables		125,189	–	125,189
Bank borrowings		419,612	–	419,612
Current income tax payable	(ii)	34,781	5,565	40,346
Total liabilities		579,582	5,565	585,147
Total equity and liabilities		905,528	33,635	939,163

NOTES TO THE FINANCIAL STATEMENTS

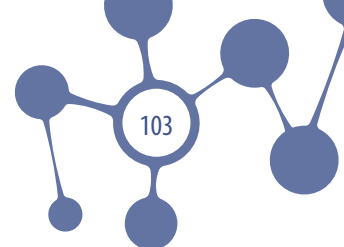
MEDINEX LIMITED

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34. CONVERGENCE TO SFRS(I) (CONTINUED)

(b) Reconciliation of the Group's equity reported in accordance with FRS to SFRS(I) (Continued)

Note	At 31 December 2017			At 1 January 2018	
	As reported under FRS	Effects of applying SFRS(I) 15	As reported under SFRS(I)	Effects of applying SFRS(I) 9	As reported under SFRS(I)
	\$	\$	\$	\$	\$
ASSETS					
Non-current assets					
Plant and equipment	96,077	–	96,077	–	96,077
Intangible assets	2,439,594	–	2,439,594	–	2,439,594
	<u>2,535,671</u>	<u>–</u>	<u>2,535,671</u>	<u>–</u>	<u>2,535,671</u>
Current assets					
Inventories	452,361	–	452,361	–	452,361
Trade and other receivables	(i), (ii) 949,763	23,750	973,513	(6,519)	966,994
Prepayments	7,170	–	7,170	–	7,170
Fixed deposit	1,600,000	–	1,600,000	–	1,600,000
Cash and bank balances	1,466,874	–	1,466,874	–	1,466,874
	<u>4,476,168</u>	<u>23,750</u>	<u>4,499,918</u>	<u>(6,519)</u>	<u>4,493,399</u>
Total assets	<u>7,011,839</u>	<u>23,750</u>	<u>7,035,589</u>	<u>(6,519)</u>	<u>7,029,070</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	5,627,237	–	5,627,237	–	5,627,237
Retained earnings	(i), (ii) 482,283	19,865	502,148	(6,519)	495,629
Total equity	<u>6,109,520</u>	<u>19,865</u>	<u>6,129,385</u>	<u>(6,519)</u>	<u>6,122,866</u>
Non-current liabilities					
Finance lease payables	1,947	–	1,947	–	1,947
Deferred tax liabilities	8,409	–	8,409	–	8,409
	<u>10,356</u>	<u>–</u>	<u>10,356</u>	<u>–</u>	<u>10,356</u>
Current liabilities					
Trade and other payables	813,531	–	813,531	–	813,531
Finance lease payables	23,401	–	23,401	–	23,401
Current income tax payable	(ii) 55,031	3,885	58,916	–	58,916
	<u>891,963</u>	<u>3,885</u>	<u>895,848</u>	<u>–</u>	<u>895,848</u>
Total liabilities	<u>902,319</u>	<u>3,885</u>	<u>906,204</u>	<u>–</u>	<u>906,204</u>
Total equity and liabilities	<u>7,011,839</u>	<u>23,750</u>	<u>7,035,589</u>	<u>(6,519)</u>	<u>7,029,070</u>



34. CONVERGENCE TO SFRS(I) (CONTINUED)

(b) Reconciliation of the Group's equity reported in accordance with FRS to SFRS(I) (Continued)

For the financial year ended 31 December 2017

	Note	As reported under FRS \$	Effects of applying SFRS(I) 15 \$	As reported under SFRS(I) \$
Revenue	(ii)	3,043,537	(9,885)	3,033,652
Other items of income				
Other income		16,850	–	16,850
Items of expense				
Changes in inventories		(40,082)	–	(40,082)
Inventories and consumables		(449,994)	–	(449,994)
Employee benefits expense		(1,165,168)	–	(1,165,168)
Depreciation and amortisation expenses		(29,007)	–	(29,007)
Other expenses		(372,249)	–	(372,249)
Finance costs		(1,396)	–	(1,396)
Profit before income tax		1,002,491	(9,885)	992,606
Income tax expense	(ii)	(56,152)	1,680	(54,472)
Profit for the financial year, representing total comprehensive income for the financial year				
		946,339	(8,205)	938,134

Explanatory notes to reconciliation of effect of current framework to SFRS(I) framework

The effects of transition to SFRS(I) mainly arises from the optional exemptions provided under SFRS(I) 9 and the adoption of SFRS(I) 15.

(i) SFRS(I) 9

As disclosed above in (a), the Group applied the short-term exemption by not restating the comparatives on adoption of SFRS(I) 9. The relevant accounting policy for financial instruments is disclosed in Note 2.9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

MEDINEX LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

34. CONVERGENCE TO SFRS(I) (CONTINUED)

(b) Reconciliation of the Group's equity reported in accordance with FRS to SFRS(I) (Continued)

Explanatory notes to reconciliation of effect of current framework to SFRS(I) framework (Continued)

(ii) SFRS(I) 15

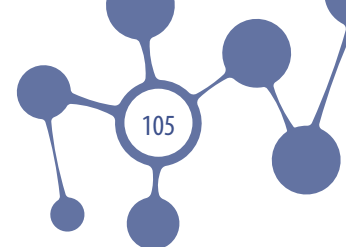
In accordance with requirements of SFRS(I) 1, the Group adopted SFRS(I)15 with full retrospective effect. As disclosed above in (a), the Group applied the transition provisions in accordance with SFRS(I)15:C5. The adoption of SFRS(1) has resulted in adjustments to the previously reported financial statements.

Accounting for contracts with multiple performance obligations

Prior to the adoption of SFRS(I) 15, multiple services are provided under one contract and revenue are recognised as if it is only one performance obligation. In applying SFRS(I) 15, the Group has assessed each contract under the requirements of SFRS(I) 15 and concluded that these multiple services are to be unbundled as distinct performance obligation. The transaction price for each performance obligation is allocated based on its relative standalone selling price. The revenue for these performance obligations identified are recognised based on the accounting policy disclosed in Note 2.14 to the financial statements.

Change from point in time to over time

Prior to the adoption of SFRS(I) 15, the Group recognises revenue from corporate secretarial services upon completion of service (i.e. end of contract). In applying SFRS(I) 15, revenue from corporate secretarial services should be recognised over the period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group. Based on the assessment, the Group recognised in accrued revenue of \$23,750 with a corresponding increase in retained earnings by \$19,865 (net of tax implications of \$3,885) in consolidated statement of financial position as at 31 December 2017 and increase in retained earnings by \$28,070 (net of tax implications of \$5,565) in consolidated statement of changes in equity as at 1 January 2017.

**SHARE CAPITAL**

Class of shares	:	Ordinary shares
Number of issued and paid-up shares	:	131,207,540
Voting rights	:	One vote per share

* There are no treasury shares or subsidiary holdings held as at 18 March 2019.

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 99	–	–	–	–
100 – 1,000	2	1.84	200	0.00
1,001 – 10,000	19	17.43	115,500	0.09
10,001 – 1,000,000	73	66.97	15,773,750	12.02
1,000,001 and above	15	13.76	115,318,090	87.89
TOTAL	109	100.00	131,207,540	100.00

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS

No.	Name	No. of shares	%
1	HC Surgical Specialists Limited	30,071,050	22.92
2	Jessie Low Mui Choo	27,089,140	20.65
3	HSN Healthcare Pte. Ltd.	12,460,110	9.50
4	Tan Lee Meng	11,269,440	8.59
5	Shinex Capital Pte. Ltd.	8,674,460	6.61
6	Nobel Capital Venture Pte Ltd	6,000,000	4.57
7	Tan Teck Jack	4,997,460	3.81
8	Chee Boon Ping	3,750,890	2.86
9	Leo Ting Ping Ronald	2,000,000	1.52
10	Citibank Nominees Singapore Pte Ltd	1,800,000	1.37
11	Chai Yee Hoi	1,698,120	1.29
12	DBS Nominees (Private) Limited	1,580,000	1.20
13	UOB Kay Hian Private Limited	1,397,000	1.06
14	Goh Tze Chien, Kelvin (Wu Zhijian, Kelvin)	1,330,420	1.01
15	Novus Corporate Finance Pte Ltd	1,200,000	0.91
16	Lim Voon Nna @ Lim Boon Naa	815,000	0.62
17	Cheng Ee Lieng	800,000	0.61
18	DBS Vickers Securities (Singapore) Pte Ltd	800,000	0.61
19	Jeremy Lee Sheng Poh	800,000	0.61
20	Lye Kheng Leng Lawrence (Lai Qinglong Lawrence)	800,000	0.61
Total		119,333,090	90.93

STATISTICS OF SHAREHOLDING

MEDINEX LIMITED

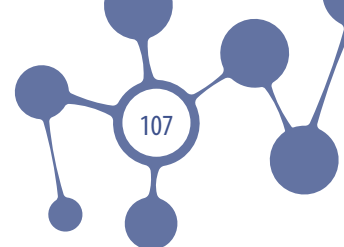
As at 18 March 2019

SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders

Name of shareholder	Direct interest		Deemed interest	
	No. of shares	%	No. of shares	%
Jessie Low Mui Choo	27,089,140	20.65	130,000 ⁽¹⁾	0.10
Tan Lee Meng	11,649,440 ⁽²⁾	8.88	–	–
HC Surgical Specialists Limited ("HCSS")	30,071,050	22.92	12,460,110 ⁽³⁾	9.50
Shinex Capital Pte. Ltd. ("Shinex Capital")	8,674,460	6.61	12,460,110 ⁽⁴⁾	9.50
HSN Healthcare Pte. Ltd. ("HSN Healthcare")	12,460,110	9.50	–	–
Dr. Heah Sieu Min	–	–	30,071,050 ⁽⁵⁾	22.92
Dr. Chia Kok Hoong	–	–	30,071,050 ⁽⁶⁾	22.92
JILB International Pte. Ltd.	–	–	12,460,110 ⁽⁷⁾	9.50
Shine Medi-Capital Pte. Ltd.	–	–	8,674,460 ⁽⁸⁾	6.61
Sia Ling Sing	–	–	8,674,460 ⁽⁹⁾	6.61
Lim Ewe Ghee	–	–	8,674,460 ⁽¹⁰⁾	6.61
Tan Tin Nam	240,000	0.18	8,674,460 ⁽¹¹⁾	6.61

- (1) Jessie Low Mui Choo is deemed to be interested in the 130,000 ordinary shares held by her spouse, Karunanithi s/o Letchumanan by virtue of Section 133(4) of the Securities and Futures Act ("SFA").
- (2) Tan Lee Meng holds 11,649,440 ordinary shares, of which 380,000 ordinary shares are held in the name of BNP Paribas Nominees Singapore Pte. Ltd.
- (3) HCSS holds 40.0% of the total issued and paid-up share capital of HSN Healthcare, and accordingly pursuant to Section 4 of the SFA, it would be treated as having an interest in the 9.50% of the total issued and paid-up share capital of the Company held by HSN Healthcare.
- (4) Shinex Capital holds 40.0% of the total issued and paid-up share capital of HSN Healthcare, and accordingly pursuant to Section 4 of the SFA, it would be treated as having an interest in the 9.50% of the total issued and paid-up share capital of the Company held by HSN Healthcare.
- (5) Dr. Heah Sieu Min holds approximately 42.76% of the total issued and paid-up share capital of HCSS, and accordingly pursuant to Section 4 of the SFA, he would be treated as having an interest in the 22.92% of the total issued and paid-up share capital of the Company held by HCSS.



- (6) Dr. Chia Kok Hoong holds approximately 23.23% of the total issued and paid-up share capital of HCSS, and accordingly pursuant to Section 4 of the SFA, he would be treated as having an interest in the 22.92% of the total issued and paid-up share capital of the Company held by HCSS.
- (7) JILB International Pte. Ltd. holds 20.0% of the total issued and paid-up share capital of HSN Healthcare, and accordingly pursuant to Section 4 of the SFA, it would be treated as having an interest in the 9.50% of the total issued and paid-up share capital of the Company held by HSN Healthcare.
- (8) Shine Medi-Capital Pte. Ltd. holds 37.50% of the total issued and paid-up share capital of Shinex Capital, and accordingly pursuant to Section 4 of the SFA, it would be treated as having an interest in the 6.61% of the total issued and paid-up of the Company held by Shinex Capital.
- (9) Sia Ling Sing holds 25.00% of the total issued and paid-up share capital of Shinex Capital, and accordingly pursuant to Section 4 of the SFA, he would be treated as having an interest in the 6.61% of the total issued and paid-up of the Company held by Shinex Capital.
- (10) Lim Ewe Ghee holds 37.50% of the total issued and paid-up share capital of Shinex Capital, and accordingly pursuant to Section 4 of the SFA, he would be treated as having an interest in the 6.61% of the total issued and paid-up of the Company held by Shinex Capital.
- (11) Tan Tin Nam holds 66.67% of the total issued and paid-up share capital of Shine Medi-Capital Pte. Ltd. which in turn hold 37.50% of the total issued and paid-up share capital of Shinex Capital, and accordingly pursuant to Section 4 of the SFA, he would be treated as having an interest in the 6.61% of the total issued and paid-up share capital of the Company held by Shinex Capital.

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 18 March 2019, approximately 29.63% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual Section B: Rules of the Catalist is complied with.

NOTICE OF **ANNUAL GENERAL MEETING**

MEDINEX LIMITED

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of the Company will be held at Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Tuesday, 30 April 2019 at 2.00 p.m. to transact the following businesses:–

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2018 and the Directors’ Statement and the Independent Auditors’ Report thereon.

(See Explanatory Note 1)

2. To declare a final dividend (tax-exempt one-tier) of S\$0.0084 per ordinary share for the financial year ended 31 December 2018. **(Resolution 1)**

3. To approve the payment of Directors’ fees of S\$8,125 for the financial year ended 31 December 2018. **(Resolution 2)**

4. To re-elect the following Directors who are retiring in accordance with the provisions of the Company’s Constitution:–

- (a) Mr. Tan Lee Meng (pursuant to Regulation 98) **(Resolution 3)**
- (b) Mr. Wee Yiap Fook San (pursuant to Regulation 102) **(Resolution 4)**
- (c) Mr. Lim Tai Toon (pursuant to Regulation 102) **(Resolution 5)**

(See Explanatory Note 2)

5. To re-appoint Messrs BDO LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

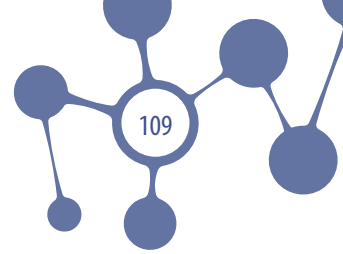
AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:–

6. Authority to allot and issue shares

- (a) “That, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the “**Act**”), and the listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

- (i) allot and issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
- (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “**Instruments**”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and



- (b) (notwithstanding the authority conferred by the Shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:
- (1) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed one hundred percent (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to Shareholders of the Company does not exceed fifty percent (50%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and (subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under this paragraph) for the purpose of this resolution, the issued share capital shall be the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of convertible securities, or
 - (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules, and
 - (iii) any subsequent bonus issue, consolidation or subdivision of the Company's shares;
 - (2) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
 - (3) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

(Resolution 7)

(See Explanatory Note 3)

NOTICE OF ANNUAL GENERAL MEETING

MEDINEX LIMITED

7. Authority to offer and grant share awards and to allot and issue shares pursuant to the Medinex Limited Performance Share Plan (the "**Medinex Performance Share Plan**").

"That:

- (a) authority be and is hereby given to the Directors of the Company to offer and grant share awards in accordance with the Medinex Performance Share Plan; and
- (b) approval be and is hereby given to the Directors to exercise full powers of the Company to allot and issue from time to time such number of shares as may be required to be allotted and issued pursuant to the award of shares under the Medinex Performance Share Plan,

provided that the aggregate number of shares to be issued pursuant to the Medinex Employee Share Option Scheme and the Medinex Performance Share Plan shall not exceed fifteen percent (15%) of the total number of issued shares excluding treasury shares in the capital of the Company from time to time." **(Resolution 8)**

(See Explanatory Note 4)

8. Authority to offer and grant options and to allot and issue shares pursuant to the Medinex Limited Employee Share Option Scheme (the "**Medinex Employee Share Option Scheme**").

"That:

- (a) authority be and is hereby given to the Directors of the Company to offer and grant options in accordance with the provisions of the Medinex Employee Share Option Scheme; and
- (b) approval be and is hereby given to the Directors to exercise full powers of the Company to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of the options under the Medinex Employee Share Option Scheme,

provided that the aggregate number of shares to be issued pursuant to the Medinex Employee Share Option Scheme and the Medinex Performance Share Plan shall not exceed fifteen percent (15%) of the total number of issued shares excluding treasury shares in the capital of the Company from time to time." **(Resolution 9)**

(See Explanatory Note 4)

BY ORDER OF THE BOARD

Lin Moi Heyang
Company Secretary
15 April 2019

Explanatory Notes:-

1. This Agenda is meant for discussion only as under the provisions of Section 201 of the Act, the Audited Financial Statements need to be laid before the meeting and hence, the matter will not be put forward for voting.
2. Both Mr. Wee Yiap Fook San and Mr. Lim Tai Toon are considered independent for the purpose of Rule 704(7) of the Catalyst Rules.

Mr. Wee Yiap Fook San will, upon re-election as a Director of the Company, remain as an Independent Director, Chairman of the Nominating Committee and Remuneration Committee, and a member of Audit Committee of the Company.

Mr. Lim Tai Toon will, upon re-election as a Director of the Company, remain as a Lead Independent Director, Chairman of the Audit Committee, and a member of Remuneration Committee and Nominating Committee of the Company.

Key information on the retiring directors can be found on pages 9 and 10 of the Annual Report.

3. The ordinary resolution 7 above is to authorise the Directors of the Company from the date of the above Meeting until the next AGM to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate one hundred percent (100%) of the issued share capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing Shareholders shall not exceed fifty percent (50%) of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.
4. The ordinary resolutions 8 and 9 above are to authorise the Directors of the Company to offer and award shares pursuant to the Medinex Performance Share Plan as well as grant options under the Medinex Employee Share Option Scheme, provided that the aggregate number of shares to be issued shall not exceed fifteen percent (15%) of the Company's issued shares, excluding treasury shares in the capital of the Company from time to time.

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. A proxy need not be a member of the Company.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 72 hours before the time set for the holding of the AGM.

Personal data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agent) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

MEDINEX LIMITED

Mr. Tan Lee Meng, Mr. Wee Yiap Fook San and Mr. Lim Tai Toon are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 30 April 2019 (“**AGM**”) (collectively, the “**Retiring Directors**” and each a “**Retiring Director**”).

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Listing Manual Section B: Rules of the Catalist of the SGX-ST:–

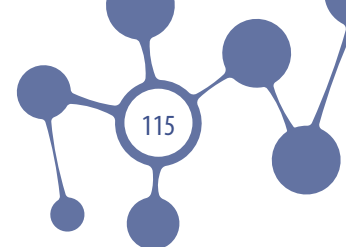
Name	Tan Lee Meng	Wee Yiap Fook San	Lim Tai Toon
Date of Appointment	22 May 2017	14 November 2018	14 November 2018
Date of last re-appointment	31 May 2017	N.A.	N.A.
Age	52	66	58
Country of principal residence	Singapore	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and assessed the qualifications and experience of Mr. Tan Lee Meng, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as the Non-executive Chairman of the Company.	The Board, having considered the recommendation of the Nominating Committee and assessed the qualifications and experience of Mr. Wee Yiap Fook San, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as the Independent Non-executive Director of the Company.	The Board, having considered the recommendation of the Nominating Committee and assessed the qualifications and experience of Mr. Lim Tai Toon, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as the Lead Independent Non-executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> Non-executive Chairman Member of the Audit, Remuneration and Nominating Committee 	<ul style="list-style-type: none"> Independent Non-executive Director Chairman of the Remuneration and Nominating Committee Member of the Audit Committee 	<ul style="list-style-type: none"> Lead Independent Non-executive Director Chairman of the Audit Committee Member of the Remuneration and Nominating Committee
Professional qualifications	Mr. Tan graduated from Oklahoma City University in 1993 with a Bachelor of Science (Summa cum Laude) and obtained a Master of Business Administration (Investment and Finance) from the University of Hull.	Mr. Wee graduated with a Bachelor of Science in Engineering from Coventry University in 1981 and obtained his Master in Business Administration from The University of Warwick in 1990.	Mr. Lim graduated from the National University of Singapore with a Degree of Bachelor of Accountancy in 1985 and obtained a Master of Business Administration from Brunel University and Master of Business Information Technology from Curtin University of Technology in 1994 and 2004 respectively.

Name	Tan Lee Meng	Wee Yiap Fook San	Lim Tai Toon
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's 2018 Annual Report.	Please refer to the Board of Directors section in the Company's 2018 Annual Report.	Please refer to the Board of Directors section in the Company's 2018 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	11,649,440 (8.88%)	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None
Conflict of Interest (including any competing business)	None	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

MEDINEX LIMITED

Name	Tan Lee Meng	Wee Yiap Fook San	Lim Tai Toon
Other Principal Commitments* Including Directorships# Past (for the last 5 years) Present	<p>Past Directorships:</p> <p>Baventures Pte. Ltd. BRC Asia Limited Jing Ma Investment Pte. Ltd. Nobel Capital Venture Pte. Ltd. Regal International Group Ltd. ZestStar Eventures Pte. Ltd. Zhi Ying Language School @ Yishun Pte. Ltd. Shine Venture Capital Pte. Ltd.</p> <p>Present Directorships:</p> <p>108 Development Pte. Ltd. Acumen Holdings Pte. Ltd. HSN Healthcare Pte. Ltd. Nex Healthcare Pte. Ltd. Shine Medi-Capital Pte. Ltd. Shine International Group Pte. Ltd. Shinex Capital Pte. Ltd.</p>	<p>Past Directorships:</p> <p>C'ignature Creations Pte. Ltd. C'ignature Design Pte. Ltd. C'ignatures Events Pte. Ltd. Dramaestro Pte. Ltd. ESM Investment Holdings Pte. Ltd. Grid_Synergy Pte. Ltd. Hua Cheng Education Centre (Serangoon) Pte. Ltd. Mastereign A'cademy Pte. Ltd. Mastereign Achievers Pte. Ltd. Mastereign Adventures Pte. Ltd. Mastereign Centre of Applied Technology Pte. Ltd. Mastereign Centre of Performing Arts Pte. Ltd. Mastereign Centre of Performing Arts (Dance) Pte. Ltd. Mastereign Centre of Performing Arts (Dance Trainer) Pte. Ltd. Mastereign Centre of Performing Arts (Drama) Pte. Ltd. Mastereign Centre of Performing Arts (Drama Trainer) Pte. Ltd. Mastereign Centre of Performing Arts (Music) Pte. Ltd. Mastereign Centre of Performing Arts (Music Trainer) Pte. Ltd.</p>	<p>Past Directorships:</p> <p>Afro-Asia Shipping Company (Private) Limited Ark Advisory Pte. Ltd. Ark Ventures Holdings Pte. Ltd. EA Investment Holdings Pte. Ltd. IJC Holdings Pte. Ltd. Ma Seng Enterprise (Private) Limited Performance Investment Pte. Ltd. S.O.M. Industrial & Commercial Holdings Pte. Ltd. Veles Consulting & Services Pte. Ltd. Veles Solutions Pte. Ltd.</p> <p>Present Directorships:</p> <p>3DH International Pte. Ltd. Ark Holding Pte. Ltd. Ark Lanka Holding (Private) Limited Food Studio (Private) Limited Food Studio Holding Pte. Ltd. House on the Moon Pte. Ltd. Jiehuimin LLP LS Holdings Pte. Ltd. Medtecs International Corporation Limited The Science Kitchen Asia Inc Pte. Ltd.</p>

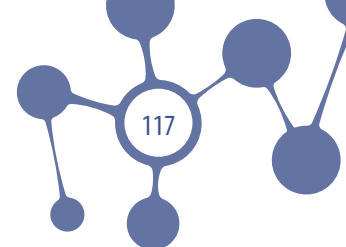


Name	Tan Lee Meng	Wee Yiap Fook San	Lim Tai Toon
		Mastereign Champions Pte. Ltd. Mastereign Chinese Language and Cultural Center Pte. Ltd. Mastereign Enrichment Pte. Ltd. Mastereign Film and Multimedia Pte. Ltd. Mastereign Institute of Creative Arts Pte. Ltd. Mastereign Institute of Professional Development Pte. Ltd. Mastereign Learning Journeys Pte. Ltd. Mastereign Life Holdings Pte. Ltd. Mastereign Media Arts Pte. Ltd. Mastereign Media Arts (Trainer) Pte. Ltd. Mastereign Millionaire Pte. Ltd. Mastereign Multi Sports Pte. Ltd. Mastereign Multi Sports (Trainer) Pte. Ltd. Mastereign Multi Sports Development Pte. Ltd. Mastereign Pal Pte. Ltd. Mastereign Professionals Pte. Ltd. Mastereign Professionals (Career) Pte. Ltd. Mastereign Professionals (North East) Pte. Ltd. Mastereign Specialist (Technical) Pte. Ltd. Mastereign Visual Arts Pte. Ltd. Mastereign Visual Arts (Trainer) Pte. Ltd. Me Outdoor Pte. Ltd. Musicon Pte. Ltd. Rang De Pte. Ltd. Studio Wu Pte. Ltd. Studio Wu International Pte. Ltd. The King's Pool Pte. Ltd.	

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

MEDINEX LIMITED

Name	Tan Lee Meng	Wee Yiap Fook San	Lim Tai Toon
		Present Directorships: A'cross Property Investments Pte. Ltd. Celebrate Life Holdings Pte. Ltd. ES Nexus Services Pte. Ltd. ES! Design Associates Pte. Ltd. GIC Thomson Pte. Ltd. Grumpy Bear (KBCC) Pte. Ltd. Grumpy Bear (Macpherson) Pte. Ltd. Grumpy Bear Company Pte. Ltd. Halftime Asia Pte. Ltd. HCM Investment Holdings Pte. Ltd. Hua Cheng Bukit Timah Pte. Ltd. Hua Cheng Education Centre Pte Ltd Hua Cheng Global Pte. Ltd. Hua Cheng Holdings Pte. Ltd. Hua Cheng Juniors Pte. Ltd. Hua Cheng Juniors (Bukit Timah) Pte. Ltd. K & E Cafe Pte. Ltd. Kingmaker Consultancy Pte. Ltd. Kingmaker Holdings Pte. Ltd. Learning Point (Bukit Timah) Pte. Ltd. Learning Point (Parkway) Pte. Ltd. Learning Point (Simei) Pte. Ltd. Learning Point (Tampines) Pte. Ltd. Learning Point Achievers Pte. Ltd. Learning Point Education Centre (S) Pte. Ltd. Learning Point First Pte. Ltd. Learning Point Holdings Pte. Ltd. Learning Point Kids Pte. Ltd. Learning Point Mathematics Pte. Ltd. Learning Point Science Pte. Ltd. LPM Investment Holdings Pte. Ltd. LSL Thomson Pte. Ltd. Mastereign Holdings Pte. Ltd. MXP Enrichment Centre Pte. Ltd. S&S Cafe (Pte. Ltd.) TMS Industries (Singapore) Pte Ltd Turnaround Management Holdings Pte. Ltd. Turnaround Management Services Pte Ltd	



ANNUAL REPORT 2018 **DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION**

Name	Tan Lee Meng	Wee Yiap Fook San	Lim Tai Toon
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

MEDINEX LIMITED

Name	Tan Lee Meng	Wee Yiap Fook San	Lim Tai Toon
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	Yes. Please refer to the disclosure made by Mr. Wee in the Company's offer document dated 30 November 2018	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only			
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A	N.A	N.A

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MEDINEX LIMITED

(the "Company")
(Incorporated in the Republic of Singapore)
(Company Registration No. 200900689W)

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT:

1. Pursuant to Section 181(1C) of the Companies Act, Chapter. 50 (the "Act"), Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the AGM.
2. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the AGM.

* I/We _____ (Name) _____ (NRIC/Passport Number)
of _____ (Address)
being a member/members of Medinex Limited, hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the **Chairman of the AGM** as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting (the "AGM") of the Company to be held at Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on Tuesday, 30 April 2019 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her discretion, as he/they may on any other matter arising at the AGM.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided)

No.	Ordinary Resolutions	No. of Votes For*	No. of Votes Against*
1.	Declaration of final dividend (tax exempt one-tier) of S\$0.0084 per ordinary share for the financial year ended 31 December 2018		
2.	Directors' Fees of S\$8,125 for the financial year ended 31 December 2018		
3.	Re-election of Mr. Tan Lee Meng as director		
4.	Re-election of Mr. Wee Yiap Fook San as director		
5.	Re-election of Mr. Lim Tai Toon as director		
6.	Re-appointment of Messrs BDO LLP as auditors of the Company		
7.	Authority to allot and issue ordinary shares		
8.	Authority to issue shares under the Medinex Performance Share Plan		
9.	Authority to issue shares under the Medinex Employee Share Option Scheme		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick [✓] within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of shares in the relevant boxes provided.

Dated this _____ day of _____ 2019



Signature/Common Seal of Member(s)

Total number of Shares held:	No. of Shares
CDP Register	
Register of members	

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. A proxy need not be a member of the Company.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Act.
5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notorially certified copy thereof, must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 72 hours before the time set for the AGM.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the holding of the AGM.
9. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2019.

BOARD OF DIRECTORS

Mr. Tan Lee Meng

(Non-executive Chairman)

Ms. Jessie Low Mui Choo

(Executive Director and Chief Executive Officer)

Mr. Lim Tai Toon

(Lead Independent Non-executive Director)

Mr. Wee Yiap Fook San

(Independent Non-executive Director)

AUDIT COMMITTEE

Mr. Lim Tai Toon

(Chairman)

Mr. Tan Lee Meng

Mr. Wee Yiap Fook San

REMUNERATION COMMITTEE

Mr. Wee Yiap Fook San

(Chairman)

Mr. Tan Lee Meng

Mr. Lim Tai Toon

NOMINATING COMMITTEE

Mr. Wee Yiap Fook San

(Chairman)

Mr. Tan Lee Meng

Mr. Lim Tai Toon

JOINT COMPANY SECRETARIES

Mr. Chai Yee Hoi

(a member of the ISCA)

Ms. Lin Moi Heyang

(ACIS)

REGISTERED OFFICE

111 North Bridge Road

#23-04 Peninsula Plaza

Singapore 179098

Tel: +65 6604 6330

Fax: +65 6604 6334

SHARE REGISTRAR

BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

AUDITORS

BDO LLP

600 North Bridge Road

#23-01 Parkview Square

Singapore 188778

Partner-in-charge:

Mr. Leong Hon Mun Peter

(Appointed since the financial year ended 31 December 2018)

CONTINUING SPONSOR

NOVUS CORPORATE FINANCE PTE. LTD.

9 Raffles Place

#17-05 Republic Plaza Tower 1

Singapore 048619



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