

Medinex Limited

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

Unaudited Financial Statements and Dividend Announcement For the Full Year Ended 31 March 2020

Background

Medinex Limited (the “**Company**”) was incorporated in Singapore on 12 January 2009 under the Companies Act (Chapter 50) of Singapore as a private company limited by shares under the name “JK Bizcomp Pte. Ltd.” Subsequently, the Company changed its name to “JK Advisors Pte. Ltd.” and “JK Group Solutions Pte. Ltd.”. On 2 May 2017, the Company changed its name to “Medinex Pte. Ltd.”. On 9 November 2018, the Company was converted into a public company and renamed “Medinex Limited”. The Company and its subsidiaries (the “**Group**”) is a Singapore-based provider of medical support services, specialising in providing professional support services to medical clinics (“**Medical Support Services**”). The scope of Medical Support Services includes, *inter alia*, 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 resources management services and corporate secretarial services. The Group also focuses on providing pharmaceutical services to its clients. On 1 March 2019, the Group had expanded its range of services to include, *inter alia*, x-rays, pre-employment check-ups and health screenings through the acquisition of 55% equity interest in Sen Med Holdings Pte. Ltd.. As an ancillary service, the Group also provides business support services to companies outside of the healthcare industry.

On 21 August 2019, the Company had changed its financial year end from 31 December to 31 March. For the purpose of this announcement, the financial results of the Group comprise the unaudited financial results of the Group for the financial period from 1 January 2019 to 31 March 2020 (“**FY2020**”) and the comparative unaudited financial results of the Group for the financial year from 1 January 2018 to 31 December 2018 (“**FY2018**”).

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Change %
	1-Jan-19 to 31-Mar-20 (15 months) S\$'000	1-Jan-18 to 31-Dec-18 (12 months) S\$'000	
Revenue	16,743	9,008	85.87%
Other items of income			
Other income	402	73	450.68%
Item of expenses			
Changes in inventories	378	21	N.M.
Inventories and consumables used	(5,299)	(3,329)	59.18%
Employee benefits expense	(5,112)	(2,621)	95.04%
Amortisation and depreciation expenses	(748)	(74)	910.81%
Loss allowance on receivables	(200)	(26)	669.23%
Other expenses	(1,498)	(1,880)	(20.32%)
Finance costs	(82)	(3)	N.M.
Share of results of joint venture, net of tax	64	-	N.M.
Profit before income tax	4,648	1,169	297.60%
Income tax expenses	(553)	(262)	111.07%
Profit for the financial period/year, representing total comprehensive income for the financial period /year	4,095	907	351.49%
Profit and total comprehensive income attributable to:			
Owners of the Company	3,636	817	345.04%
Non-controlling interests	459	90	410.00%
	4,095	907	351.49%

N.M. - not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year

	1-Jan-19 to 31-Mar-20 (15 months) S\$'000	1-Jan-18 to 31-Dec-18 (12 months) S\$'000
Profit for the financial period/year is stated after charging the following:		
Fair value gain on financial asset at fair value through profit or loss (“FVTPL”)	(136)	-
Rental income	(65)	(23)
Government grant	(100)	(36)
Interest income	(53)	(11)
Loss allowance on receivables	200	26
Bad debts written off	-	7
Amortisation of intangible assets	55	25
Depreciation of plant and equipment	31	49
Depreciation of right-of-use assets	661	-
Inventories written off	30	5
Cost of service	360	156
Platform fees	296	-
Valuation fees	37	-
Initial public offering (“IPO”) expenses	-	1,062

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	31-Mar-20 S\$'000	31-Dec-18 S\$'000	31-Mar-20 S\$'000	31-Dec-18 S\$'000
ASSETS				
Non-current assets				
Plant and equipment	59	97	16	3
Right-of-use assets	1,915	-	-	-
Intangible assets	7,193	3,780	-	-
Investment in subsidiaries	-	-	10,923	7,232
Investment in joint venture	140	-	155	-
Financial assets at FVTPL	887	1	886	-
Other receivables	534	-	534	-
	10,728	3,878	12,514	7,235
Current assets				
Inventories	836	473	-	-
Trade and other receivables	2,386	1,230	937	2,170
Contract assets	51	23	-	-
Prepayments	86	94	60	82
Fixed deposit	1,529	4,150	1,019	3,000
Cash and bank balances	3,736	4,982	621	3,411
	8,624	10,952	2,637	8,663
Total assets	19,352	14,830	15,151	15,898
EQUITY AND LIABILITIES				
Equity				
Share capital	14,163	14,163	14,163	14,163
Other reserve	(1,540)	(1,948)	408	-
Retained earnings	1,642	1,312	133	1,512
Equity attributable to owners of the parent	14,265	13,527	14,704	15,675
Non-controlling interests	345	-	-	-
Total equity	14,610	13,527	14,704	15,675

	Group		Company	
	31-Mar-20 S\$'000	31-Dec-18 S\$'000	31-Mar-20 S\$'000	31-Dec-18 S\$'000
Non-current liabilities				
Deferred tax liabilities	59	24	-	-
Lease liabilities / Finance lease payables	1,376	4	-	-
Provisions	29	29	-	-
	1,464	57	-	-
Current liabilities				
Trade and other payables	1,736	871	437	209
Lease liabilities / Finance lease payables	539	6	-	-
Contract liabilities	388	83		
Bank borrowing	10	-	10	-
Current income tax payables	605	286	-	14
	3,278	1,246	447	223
Total liabilities	4,742	1,303	447	223
Total equity and liabilities	19,352	14,830	15,151	15,898

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31-Mar-20			As at 31-Dec-18		
Secured		Unsecured	Secured		Unsecured
S\$'000		S\$'000	S\$'000		S\$'000
47		10	6		-

Amount repayable after one year

As at 31-Mar-20			As at 31-Dec-18		
Secured		Unsecured	Secured		Unsecured
S\$'000		S\$'000	S\$'000		S\$'000
41		-	4		-

Details of any collaterals

The Group's obligations under finance leases are secured on the plant and equipment purchased under finance lease arrangements.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows

	1-Jan-19 to 31-Mar-20 S\$'000	1-Jan-18 to 31-Dec-18 S\$'000
Operating activities		
Profit before income tax	4,648	1,169
Adjustments for:		
Amortisation of intangible assets	55	25
Loss allowance on receivables	200	26
Bad debts written off	-	7
Depreciation of plant and equipment	31	49
Depreciation of right-of-use assets	661	-
Allowance for impairment loss on doubtful debts written back	(8)	(9)
Inventories written off	30	5
Fair value gain on financial asset at FVTPL	(136)	*
Share of results of joint venture, net of tax	(64)	-
Interest income	(34)	(11)
Interest expense	82	3
Operating cash flows before working capital changes	5,465	1,264
Working capital changes:		
Inventories	(337)	(26)
Trade and other receivables	(959)	(101)
Contract assets and contract liabilities	197	-
Prepayments	10	(82)
Trade and other payables	104	9
Cash generated from operations	4,480	1,064
Income tax paid	(278)	(69)
Net cash from operating activities	4,202	995

* - less than S\$1,000

	1-Jan-19 to 31-Mar-20 S\$'000	1-Jan-18 to 31-Dec-18 S\$'000
Investing activities		
Acquisition of subsidiaries, net of cash acquired	(2,205)	(1,219)
Dividend income from joint venture	16	-
Investment in joint venture	*	-
Loan to joint venture	(625)	-
Proceeds from bank borrowings	34	11
Investment in financial asset at FVTPL	(750)	-
Purchase of plant and equipment	(43)	(16)
Net cash used in investing activities	(3,573)	(1,224)
Financing activities		
Advances from director of the Company	-	3
Proceeds from issuance of shares	-	6,500
Repayment to director	-	(26)
Repayments of principal portion of lease liabilities/finance lease payables	(623)	(24)
Repayments of interest portion of lease liabilities/finance lease payables	(82)	(3)
Proceeds from bank borrowing	10	-
Dividends paid to owners of the parent	(3,306)	-
Dividends paid to non-controlling interest	(495)	-
Interest paid	-	(3)
Share issue expenses	-	(153)
Net cash (used in) / from financing activities	(4,496)	6,294
Net change in cash and cash equivalents	(3,867)	6,065
Cash and cash equivalents at beginning of financial period / year	9,132	3,067
Cash and cash equivalents at end of financial period / year	5,265	9,132

* - less than S\$1,000

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Changes in Equity

Group

	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2019	14,163	(1,948)	1,312	13,527	-	13,527
Profit for the financial period	-	-	3,636	3,636	459	4,095
Total comprehensive income for the financial period	-	-	3,636	3,636	459	4,095
Contributions by and distribution to owners						
Share-based payments	-	408	-	408	-	408
Dividends	-	-	(3,306)	(3,306)	-	(3,306)
Total transactions with owners	-	408	(3,306)	(2,898)	-	(2,898)
Transactions with non-controlling interest						
Acquisition of subsidiaries	-	-	-	-	381	381
Dividends	-	-	-	-	(495)	(495)
Total transactions with non-controlling interest	-	-	-	-	(114)	(114)
Balance at 31 March 2020	14,163	(1,540)	1,642	14,265	345	14,610

Consolidated Statement of Changes in Equity

Group

	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2018	5,627	-	495	6,122	-	6,122
Profit for the financial year	-	-	817	817	90	907
Total comprehensive income for the financial year	-	-	817	817	90	907
Contributions by and distribution to owners						
Adjustment pursuant to Restructuring Exercise	2,189	(1,948)	-	241	(241)	-
Issue of shares	6,800	-	-	6,800	-	6,800
Share issue expenses	(453)	-	-	(453)	-	(453)
Total transactions with owners	8,536	(1,948)	-	6,588	(241)	6,347
Transactions with non-controlling interest						
Subscription of shares by non-controlling interest in subsidiaries	-	-	-	-	151	151
Total transactions with non-controlling interest	-	-	-	-	151	151
Balance at 31 December 2018	14,163	(1,948)	1,312	13,527	-	13,527

Statement of Changes in Equity

Company

	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance as 1 January 2019	14,163	-	1,512	15,675
Profit for the financial year	-	-	1,927	1,927
Total comprehensive income for the financial year	-	-	1,927	1,927
Contributions by and distributions to owners				
Share-based payments	-	408	-	408
Dividends	-	-	(3,306)	(3,306)
Total transactions with owners	-	408	(3,306)	(2,898)
Balance at 31 March 2020	14,163	408	133	14,704
Balance as 1 January 2018	5,627	-	387	6,014
Profit for the financial year	-	-	1,125	1,125
Total comprehensive income for the financial year	-	-	1,125	1,125
Contributions by and distributions to owners				
Issue of shares	6,800	-	-	6,800
Adjustment pursuant to Restructuring Exercise	2,189	-	-	2,189
Dividends	(453)	-	-	(453)
Total transactions with owners	8,536	-	-	8,536
Balance at 31 December 2018	14,163	-	1,512	15,675

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There are no changes in the Company’s share capital since the end of the previous period reported on i.e. 31 December 2018. The total number of issued shares as at 31 March 2020 is 131,207,540 (31 December 2018: 131,207,540).

The Company had on 9 November 2019 adopted the Medinex Performance Share Plan and the Medinex Share Option Scheme. No awards or options had been granted for the financial period reported on.

The Company did not have any treasury shares and subsidiary holdings as at 31 March 2020 and 31 December 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 31 March 2020	As at 31 December 2018
Total number of issued shares	131,207,540	131,207,540

The Company did not have any treasury shares as at 31 March 2020 and 31 December 2018.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during, and at the end of, the financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as the Company did not have any subsidiary holdings as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:- (a) Updates on the efforts taken to resolve each outstanding audit issue, and (b) Confirmation from the Board the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases on 1 January 2019, using the modified retrospective approach. It requires a lessee to recognise a right-of-use asset representing its right-of-use over the underlying asset and a lease liability representing its obligation to make lease payments. The Group has not restated comparatives for the previous corresponding period as permitted under SFRS(I) 16.

Leases are recognised as right-of-use assets and the obligation to make lease payments are recorded as lease liabilities which were measured as the present value of the remaining lease payments on 1 January 2019.

Each lease payment is allocated between the lease liability and finance cost. The latter is charged to profit or loss. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line-basis.

The effect of the adoption of SFRS(I) 16 on the Group's financial statements has been explained in paragraph 8.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**
- (a) **based on the weighted average number of ordinary shares in issue; and**
- (b) **on a fully diluted basis (detailing any adjustments made to the earnings).**

Earnings per share ("EPS")	Group	
	1-Jan-19 to 31-Mar-20	1-Jan-18 to 31-Dec-18
Profit attributable to owners of the Company (S\$)	3,636,000	817,000
Weighted average number of ordinary shares in issue	131,207,540	98,459,684 ⁽¹⁾
Basic and fully diluted EPS (S\$ cents) ⁽²⁾	2.77	0.83

Notes:-

- (1) For comparative and illustrative purposes, the weighted average of ordinary shares in issue for the financial year ended 31 December 2018 was computed based on 95,253,600 ordinary shares (post the sub-division of each then existing shares into 5,590 shares ("**Share Split**")), adjusted for issue of (i) 8,753,940 ordinary shares (post Share Split) pursuant to Restructuring Exercise, which was issued on 5 November 2018, (ii) 26,000,000 placement shares, which was issued on 6 December 2018; and (iii) 1,200,000 Shares to Novus Corporate Finance Pte. Ltd., which were issued on 6 December 2018.
- (2) The basic and fully dilutive EPS were the same as there are no dilutive ordinary shares in issue as at 31 March 2020 and 31 December 2018.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- (a) **Current financial period reported on; and**
(b) **Immediately preceding financial year**

Net asset value (“NAV”)	Group		Company	
	31-Mar-20 (Unaudited)	31-Dec-18 (Audited)	31-Mar-20 (Unaudited)	31-Dec-18 (Audited)
NAV (S\$) ⁽¹⁾	14,265,000	13,527,000	14,704,000	15,675,000
Number of ordinary shares in issue	131,207,540	131,207,540	131,207,540	131,207,540
NAV per ordinary share (S\$ cents)	10.87	10.31	11.21	11.95

Note:-

(1) NAV attributable to owners of the parent.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on**

Review for the performance of the Group for FY2020 as compared to FY2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

It is important to note that in addition to the reasons set out below for the increase and/or decrease in the respective items, the increase/decrease was also due to the fact that the review was performed based on the Group’s financial results for the financial period from 1 January 2019 to 31 March 2020 (15 months financial period) as compared to the Group’s financial results for the financial year from 1 January 2018 to 31 December 2018 (12 months financial period).

Revenue

The Group recorded an increase in revenue of approximately S\$7.74 million or approximately 85.87% for FY2020 as compared to FY2018. The growth in FY2020 arose from the full revenue contribution from the Group’s subsidiaries, Medinex Professional Services Pte. Ltd. (previously known as Patceljon Professional Services Pte Ltd) (“**MPS**”) and Jo-L Consultus Pte. Ltd. (“**Jo-L**”) which were acquired in FY2018 and revenue contribution from the acquisition of the Group’s new subsidiaries, namely, Sen Med Holdings Pte. Ltd. (“**Sen Med**”), Ark Leadership and

Learning Pte. Ltd. (“**Ark**”), SKI Consultancy Pte. Ltd. (“**SKIC**”) and Medinex Advisory Pte. Ltd. (previously known as SKI Corporate Services Pte. Ltd.) (“**Medinex Advisory**”) in FY2020.

Other items of income

Other income, comprising mainly of fixed deposits interest, government grants, fair value gain on financial asset at FVTPL, commission income and rental income, increased by approximately S\$0.33 million mainly due to fair value gain on investment in financial asset at FVTPL of approximately S\$0.14 million, increase in government grants, rental income and the interest from placements of fixed deposits in FY2020 of approximately S\$0.15 million, and increase in commission income amounting to S\$0.04 million.

Items of expenses

Inventories and consumables used and changes in inventories increased by approximately S\$1.61 million or approximately 48.76% due to the acquisition of Sen Med in March 2019.

Employee benefits expense increased by S\$2.49 million, or approximately 95.04% due to additional headcounts arising from the acquisitions of Sen Med, Ark, SKIC and Medinex Advisory in FY2020.

Amortisation and depreciation expenses increased by approximately S\$0.67 million or approximately 910.81% in FY2020 as compared to FY2018 due mainly to (a) depreciation recognised for right-of-use assets arising from the adoption of SFRS(I) 16 effective from 1 January 2019 of approximately S\$0.66 million, and (b) increase in amortization of intangible assets of approximately S\$0.03 million arising from acquisition of subsidiaries, and slightly offset by a decrease in depreciation of plant and equipment of approximately S\$0.02 million due to reclassification of assets financed by finance lease payables under SFRS(I)1-17 previously to right-of-use assets.

Loss allowance on receivables increased by approximately S\$0.17 million or 669.23% due to higher impairment provisions, by taking into consideration of the COVID-19 situation.

Other expenses decreased by approximately S\$0.38 million or approximately 20.32% in FY2020, mainly due to the one-off IPO expenses of S\$1.06 million incurred in FY2018, and partially offset by higher operating expenses as a result of an increase in (a) platform fee of approximately S\$0.30 million, (b) cost of service of approximately S\$0.20 million, (c) valuation fee of S\$0.04 million, (d) inventories write off of approximately S\$0.03 million, and (e) overall increase in other expenses of approximately S\$0.11 million.

Finance cost increased by approximately S\$0.08 million due mainly to interest recognised for right-of-use assets arising from the adoption of SFRS(I) 16 effective from 1 January 2019.

Share of results of joint venture is due to the investment in approximately 27.8% of the issued share capital of Zenmedic Capital Pte. Ltd. (“**Zenmedic**”) which was announced by the Company in May 2019. The profit of approximately S\$0.06 million is mainly due to the fair

value gain on the convertible loan provided by Zenmedic to Nuffield Dental Holdings Private Limited.

Profit before income tax

As a result of the abovementioned, profit before income tax increased by approximately S\$3.48 million or approximately 297.60%.

Income tax expense

Income tax expenses increased by approximately S\$0.29 million or approximately 111.07% due to higher taxable profits recorded in FY2020 compared to FY2018.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 31 March 2020 and 31 December 2018.

Non-current assets

The Group's non-current assets mainly relates to plant and equipment, right-of-use assets, intangible assets, investment in joint venture, financial assets at FVTPL and other receivables.

The Group's intangible assets (which relates to customer relationships) increased by approximately S\$3.41 million following the acquisitions of Sen Med, Ark, SKIC and Medinex Advisory in FY2020.

The Group's investment in joint venture increased by approximately S\$0.14 million due to the investment in approximately 27.8% equity interest of Zenmedic.

The Group's right-of-use assets increased by approximately S\$1.92 million arising from the adoption of SFRS(I) 16 which was effective from 1 January 2019 for the lease of office premises and clinic spaces.

The Group's plant and equipment decreased by approximately S\$0.04 million mainly due to reclassification of assets financed by finance lease payables under SFRS(I)1-17 previously of approximately S\$0.05 million to right-of-use assets.

Financial assets at FVTPL increased by approximately S\$0.89 million due to convertible loan provided to Singapore Paincare Holdings Limited ("**SPCH**").

Other receivables increased by approximately S\$0.53 million due to loan for the investment in joint venture.

Current assets

Inventories increased by approximately S\$0.36 million mainly due to the acquisition of Sen Med.

Trade and other receivables increased by approximately S\$1.16 million due to an increase in receivables outstanding from clients which was in line with the increase in the total revenue of the Group, arising from the full year revenue contribution from the acquisitions of MPS and Jo-L in FY2018.

Contract assets increased by S\$0.03 million is mainly due to the increase in accrued revenue.

Fixed deposit decreased by approximately S\$2.62 million mainly due to withdrawal of fixed deposits of S\$3.00 million for the acquisitions of Sen Med, Ark, SKIC and Medinex Advisory in FY2020, and slightly offset by an increase in fixed deposit placement for our subsidiary, Nex Healthcare Pte. Ltd. of S\$0.40 million.

Non-current liabilities

The Group recorded non-current lease liabilities of approximately S\$1.38 million as at 31 March 2020 due to the adoption of SFRS(I) 16 which was effective from 1 January 2019.

Current liabilities

Trade and other payables increased by approximately S\$0.87 million mainly due to increased payables arising from the trade payables of Sen Med, Ark, SKIC and Medinex Advisory following the acquisition of these subsidiaries in FY2020 of approximately S\$0.11 million, deferred grant income of approximately S\$0.22 million, other creditors of approximately S\$0.22 million, other accruals of approximately S\$0.18 million, valuation fee and amount owing to director of approximately S\$0.13 million in FY2020.

The Group recorded lease liabilities of approximately S\$0.53 million as at 31 March 2020 due to the adoption of SFRS(I) 16, which was effective from 1 January 2019.

Current income tax payable increased by S\$0.32 million mainly due to acquisition of Sen Med, Ark, SKIC and Medinex Advisory in FY2020.

Equity

The increase in other reserves of approximately S\$0.41 million was due to share-based payments for the acquisition of Ark.

The increase in retained earnings as at 31 March 2020 as compared to 31 December 2018 is mainly due to profit earned from the acquisition of new subsidiaries, Sen Med, Ark, SKIC and Medinex Advisory in FY2020.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Group recorded net cash generated from operating activities of approximately S\$4.20 million in FY2020, mainly due to operating cash flow before changes in working capital of approximately S\$5.47 million, and adjusted for net working capital outflow of approximately S\$0.99 million and income tax paid of S\$0.28 million. Our net working capital outflow were mainly due to (a) the increase in trade and other receivables of approximately S\$0.96 million, (b) increase in inventories of approximately S\$0.33 million, and partially offset by (a) an increase in trade and other payables of approximately S\$0.10 million, (b) decrease in prepayment of approximately S\$0.01 million, and (c) decrease in contract assets and contract liabilities of approximately S\$0.20 million.

Net cash used in investing activities of approximately S\$3.57 million in FY2020 was mainly due to acquisition of subsidiaries, Sen Med, Ark, SKIC and Medinex Advisory, loan to joint venture, Zenmedic and the investment in convertible loan provided to SPCH.

Net cash used in financing activities amounted to approximately S\$4.50 million, arising mainly from the dividend payout to shareholders of the Company and non-controlling interests of Sen Med of approximately S\$3.80 million, and repayment of lease liabilities of approximately S\$0.71 million.

Overall, the Group recorded a net decrease in cash and cash equivalents of approximately S\$3.87 million in FY2020, mainly due to acquisitions of new subsidiaries and payment of dividend.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No variance as the Group's financial results for the financial period from 1 January 2019 to 31 March 2020 was in line with the statement made on 1 March 2019 that the Directors expect the Group to remain profitable in the financial year 2019.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As the global pandemic situation prolongs, businesses across different sectors including healthcare continues to grapple with uncertainties and the threat of a downward revenue trend.

While there is no significant impact from the COVID-19 in the short term, the Company has to gear itself up to counteract the longer term impact especially with the increasing number of business closures and cost pressure from clients whose survival is at stake.

With the physical travel restrictions, we need to embark on new forms of engagement so as to deliver the same, if not higher level of service experience for the clients.

To lessen the impact of a downward revenue trend of our clients, we are investing in an online marketing platform and technology to assist our clients to accelerate their presence online in order to garner more business opportunities both locally and regionally.

To cope with the cost pressure from clients and our competitors, we have recently set up an operation unit in Malaysia to capitalise on the lower manpower cost while maintaining stringent internal controls and quality outputs.

The two months of circuit breaker had pushed us to tap on technology to engage our clients virtually to ensure the continuity in providing the customer-centric services.

The increasing reliance on technology and artificial intelligence have caused us to move to providing higher value services that cannot be easily substituted such as business consultation and customized data analytical services.

11. Dividend

If a decision regarding dividend has been made: -

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Dividends in respect of the financial period from 1 January 2019 to 31 December 2019 have been declared and paid previously.

The following interim dividend was declared on 14 August 2019 for the six (6) months period ended 30 June 2019 and paid on 13 September 2019.

Name of Dividend	Interim
Dividend Type	Ordinary
Dividend Amount per Share (in S\$ cents)	0.84 cents per ordinary share (one tier tax)
Tax Rate	Tax exempt

The following interim dividend was declared on 18 December 2019 for the financial period ended 31 December 2019 and paid on 17 January 2020.

Name of Dividend	Interim
Dividend Type	Ordinary
Dividend Amount per Share (in S\$ cents)	0.84 cents per ordinary share (one tier tax)
Tax Rate	Tax exempt

The distribution of the two (2) interim dividends represented approximately 70% of the Group's net profit after tax attributable to Shareholders for the financial period from 1 January 2019 to 31 December 2019, in line with the proposed dividends set out in the Company's offer document dated 30 November 2018.

- (b) (i) Amount per share (cents)

Not applicable.

- (ii) Previous corresponding period (cents)

Name of Dividend	Proposed Final
Dividend Type	Ordinary
Dividend Amount per Share (in S\$ cents)	0.84 cents per ordinary share (one tier tax)
Tax Rate	Tax exempt

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (if the dividend is not taxable in the hands of shareholders, this must be stated.)

Not applicable.

- (d) The date the dividend is payable.

Not applicable.

- (e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

Please refer to the details set out in paragraph 11(a).

13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for interested person transactions.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) (S\$’000)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (S\$’000)
Low Mui Keow, Valerie (Lu Mei Jiao, Valerie) ⁽¹⁾	1,008	-
HC Surgical Specialists Limited Shinex Capital Pte. Ltd. ⁽²⁾	626	-
JK Group Services Pte Ltd ⁽³⁾	150	-
Dr. Heah Sieu Min	144	
HC Surgical Specialists Limited	140	

Notes:-

- (1) The purchase consideration for the acquisition of 100% equity interest in Ark from Low Mui Keow, Valerie (sister of Jessie Low Mui Choo, the Executive Director and Chief Executive Officer of the Company), of which S\$600,000 of the purchase consideration has been paid to Low Mui Keow, Valerie. Please refer to the circular dated 15 April 2019 and the announcements made by the Company on 26 March 2019, 24 April 2019, 30 April 2019 and 6 May 2019 for more details.
- (2) The aggregate value of the Company’s equity participation and shareholder’s loan to the joint venture entity, Zenmedic, as announced by the Company on 2 May 2019 and 9 May 2019. The joint venture was entered into with, among others, the Company’s controlling shareholders, HC Surgical Specialists Limited and Shinex Capital Pte. Ltd. Please refer to the announcements for more details.
- (3) Rental of the entire unit at 111 North Bridge Road, #23-04 Peninsular Plaza, Singapore 179098 from JK Group Services Pte. Ltd., which is 90% owned by Mr Karunanithi S/O Letchumanan (spouse of Jessie Low Mui Choo, the Executive Director and Chief Executive Officer of the Company) and 10% owned by Jessie Low Mui Choo.

14. Use of IPO Proceeds

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

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

	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	3,532.50 ⁽¹⁾	467.50
Working Capital	1,316.00	786.00 ⁽²⁾	530.00
Total	5,316.00	4,318.50	997.50

Notes:

- (1) Utilised for the following:-
(a) acquisition of Sen Med. - S\$1,732,500;
(b) acquisition of Ark - S\$600,000; and
(c) acquisition of SKIC and Medinex Advisory – S\$1,200,000 (including S\$120,000 earmarked for the remaining purchase consideration for the acquisition of SKIC and Medinex Advisory, which has not been disbursed by the Company as at the date of this announcement);
- (2) Utilised for the payment of listing expenses of S\$36,000 and the provision of the convertible loan amount of S\$750,000 to SPCH.

15. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

(a) Business segments

Business segment	Medical support services	Business support services	Pharmaceutical services	Medical services	Unallocated Expenses	Consolidated
FY2020	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Revenue						
External revenue	4,590	3,462	4,985	3,706	-	16,743
Profit from operations						
Interest income	7	5	7	-	34	53
Inventories and consumables used	-	-	3,959	962	-	4,921
Finance costs	23	8	11	40	-	82
Amortisation and depreciation expense	207	193	71	270	8	748
Employee benefits expense	1,036	1,413	702	977	991	5,118
Income tax expense	287	101	24	149	(8)	553
	-	-	-	-	-	-
Reportable segment profit before income tax	2,274	1,331	194	1,639	(790)	4,648
						-
Net profit for the financial year after tax	1,987	1,230	170	1,490	(782)	4,095
Other information:						
Segment assets	4,909	5,766	1,817	3,920	2,940	19,351
Segment liabilities	1,512	1,483	686	1,893	(832)	4,741

Business segment (S\$'000)	Medical support services	Business support services	Pharmaceutical services	Medical services	Unallocated Expenses	Consolidated
FY2018	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Revenue						
External revenue	3,153	1,754	4,101	-	-	9,008
Profit from operations						
Interest income	*	*	*	-	11	11
Inventories and consumables used	-	-	3,309	-	-	3,309
Finance costs	-	*	2	-	-	3
Amortisation and depreciation expense	9	32	14	-	19	74
Employee benefits expense	714	723	532	-	652	2,621
Income tax expense	170	57	26	-	9	262
Reportable segment profit before income tax	1,409	568	154	-	(963)	1,169
Net profit for the financial year after tax	1,240	511	129	-	(972)	907
Other information:						
Segment assets	2,221	1,143	1,127	-	10,339	14,830
Segment liabilities	609	324	155	-	215	1,303

* - less than S\$1,000

(b) Geographical segment

Not applicable, the Group has only one geographical segment.

16. In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

17. A breakdown of sales as follows:

	FY2020 S\$'000	FY2018 S\$'000	Increase (%)
(a) Sales reported for first half year	5,974	4,459	33.98%
(b) Operating profit after tax before deducting minority interest reported for first half year	1,448	1,075	34.70%
(c) Sales reported for second half year ⁽¹⁾	10,769	4,549	136.73%
(d) Operating profit/(loss) after tax before deducting minority interest reported for second half year ⁽¹⁾	2,647	(168)	N.M. ⁽²⁾

Notes:-

- (1) Due to a change in financial year from 31 December to 31 March, the sales and operating profit/(loss) reported for second half year comprises of the period from 1 July 2019 to 31 March 2020.
- (2) N.M. refers to not meaningful.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2020 S\$'000	FY2018 S\$'000
Ordinary shares (tax exempt 1-tier)		
- Interim	2,204	-
- Final	-	1,102
Total Annual Dividend	2,204	1,102

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, chief executive officer or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Karunanithi s/o Letchumanan	59	Spouse of Jessie Low Mui Choo, the Executive Director and Chief Executive Officer of the Company	Director of Medinex Corporate Services Pte. Ltd. since 2 May 2017 and Medinex Healthcare Pte. Ltd. since 5 July 2018. Involved in the marketing and business development of the two subsidiaries	NIL
Low Mui Keow, Valerie (Lu Mei Jiao, Valerie)	48	Sister of Jessie Low Mui Choo, the Executive Director and Chief Executive Officer of the Company	Business Development Director of the Group since 6 May 2019. Involved in overseeing the business development activities of the Group.	NIL

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

BY ORDER OF THE BOARD

Jessie Low Mui Choo
Executive Director and Chief Executive Officer
23 July 2020

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

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

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

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