

Medinex Limited

(Incorporated in the Republic of Singapore)

(Company Registration No. 200900689W)

Unaudited Financial Statements and Dividend Announcement For the Full Year Ended 31 December 2018

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 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. As an ancillary service, the Group also provides business support services to companies outside of the healthcare industry. Prior to the listing on the Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 7 December 2018, the Group undertook a restructuring exercise (the “**Restructuring Exercise**”). Please refer to the Company’s offer document dated 30 November 2018 (the “**Offer Document**”) for further details on the Restructuring Exercise. For the purpose of this announcement, the results of the Group for the financial year ended 31 December 2018 (“**FY2018**”) and the comparative results of the Group for the financial year ended 31 December 2017 (“**FY2017**”), have been presented on the basis that the Restructuring Exercise has been in place since 1 January 2017 (for common controlled entities) and as and when the respective acquisitions are completed.

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		
	Full Year Ended		
	31-Dec-18	31-Dec-17	Change
	S\$'000	S\$'000	%
Revenue	8,981	3,034	196.01%
Other items of income			
Other income	100	16	525.00%
Item of expenses			
Changes in inventories	26	(40)	N.M.
Inventories and consumables used	(3,335)	(450)	641.11%
Employee benefits expense	(2,621)	(1,165)	124.98%
Amortisation and depreciation expenses	(74)	(29)	155.17%
Other expenses	(1,907)	(372)	412.63%
Finance costs	(3)	(1)	200.00%
Profit before income tax	1,167	993	17.52%
Income tax expenses	(279)	(55)	407.27%
Profit for the financial year, representing total comprehensive income for the financial year	888	938	-5.33%
Profit and total comprehensive income attributable to:			
Owners of the Company	798	938	-14.93%
Non-controlling interests	90	-	N.M.
	888	938	-5.33%

N.M. - not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

	Full Year Ended	
	31-Dec-18	31-Dec-17
	S\$'000	S\$'000
Profit for the financial year		
is stated after charging the following:		
Allowance for impairment loss on doubtful trade and other receivables	30	-
Bad debts written off	3	30
Amortisation of intangible assets	25	1
Depreciation of plant and equipment	49	28
Inventories written off	5	-
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-Dec-18 S\$'000	31-Dec-17 S\$'000	1-Jan-17 S\$'000	31-Dec-18 S\$'000	31-Dec-17 S\$'000	1-Jan-17 S\$'000
ASSETS						
Non-current assets						
Plant and equipment	97	96	48	3	22	45
Investment in subsidiaries	-	-	-	7,232	3,589	-
Financial assets at fair value through profit or loss	1	-	-	-	-	-
Goodwill	3,643	2,439	-	-	-	-
Intangible assets	111	-	-	-	-	-
	3,852	2,535	48	7,235	3,611	45
Current assets						
Inventories	473	452	-	-	-	-
Trade and other receivables	1,331	974	441	2,170	305	160
Prepayments	94	7	36	82	2	36
Fixed deposit	4,150	1,600	-	-	-	-
Cash and bank balances	4,982	1,467	414	6,411	2,161	130
	11,030	4,500	891	8,663	2,468	326
Total assets	14,882	7,035	939	15,898	6,079	371
EQUITY AND LIABILITIES						
Equity						
Share capital	14,163	5,627	30	14,163	5,627	10
Capital reserve	(1,951)	-	-	-	-	-
Retained earnings	1,293	502	324	1,512	387	90
Equity attributable to owners of the parent	13,505	6,129	354	15,675	6,014	100
Non-controlling interests	-	-	-	-	-	-
Total equity	13,505	6,129	354	15,675	6,014	100
Non-current liabilities						
Deferred tax liabilities	19	8	-	-	-	-
Finance lease payables	-	2	-	-	-	-
Provision	29	-	-	-	-	-
	48	10	-	-	-	-
Current liabilities						
Trade and other payables	1,033	814	125	209	50	44
Finance lease payables	10	23	-	-	-	-
Bank borrowings	-	-	420	-	-	220
Current income tax payable	286	59	40	14	15	7
	1,329	896	585	223	65	271
Total liabilities	1,377	906	585	223	65	271
Total equity and liabilities	14,882	7,035	939	15,898	6,079	371

Note: The Group's and Company's opening statement of financial position as at 1 January 2017 are restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s"). Please refer to paragraph 5 for the details on the financial impact from the adoption of SFRS(I)s.

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-Dec-18			As at 31-Dec-17		
Secured		Unsecured	Secured		Unsecured
S\$'000		S\$'000	S\$'000		S\$'000
-		10	-		23

Amount repayable after one year

As at 31-Dec-18			As at 31-Dec-17		
Secured		Unsecured	Secured		Unsecured
S\$'000		S\$'000	S\$'000		S\$'000
-		-	-		2

Details of any collaterals

Not applicable.

- 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

	Full Year Ended	
	31-Dec-18 S\$'000	31-Dec-17 S\$'000
Operating activities		
Profit before income tax	1,167	993
Adjustments for:		
Allowance for impairment loss on doubtful debts	30	-
Amortisation of intangible assets	25	1
Bad debts written off	3	30
Depreciation of plant and equipment	49	28
Recovery of debt	(7)	-
Inventories written off	5	-
Interest income	(11)	-
Interest expense	3	1
Operating cash flows before working capital changes	1,264	1,053
Working capital changes:		
Inventories	(26)	(40)
Trade and other receivables	(180)	(44)
Prepayments	(82)	5
Trade and other payables	142	191
Cash generated from operations	1,118	1,165
Income tax paid	(68)	(36)
Net cash from operating activities	1,050	1,129
Investing activities		
Acquisition of subsidiaries under common control	-	(20)
Acquisition of subsidiaries, net of cash acquired	(1,274)	568
Increase in fixed deposit	(4,150)	-
Interest received	11	-
Purchase of plant and equipment	(16)	-
Net cash (used in)/from investing activities	(5,429)	548

	Full Year Ended	
	31-Dec-18 S\$'000	31-Dec-17 S\$'000
Financing activities		
Advances from director of the Company	3	59
Proceeds from issuance of shares	6,500	2,048
Repayment to director	(26)	(35)
Repayment from former director	-	94
Repayment of term loan	-	(420)
Repayment of finance lease	(27)	(9)
Dividends paid	-	(760)
Interest paid	(3)	(1)
Share issue expenses	(153)	-
Net cash from financing activities	6,294	976
Net change in cash and cash equivalents	1,915	2,653
Cash and cash equivalents at beginning of financial year	3,067	414
Cash and cash equivalents at end of financial year	4,982	3,067

- 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	Capital reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2018	5,627	-	502	6,129	-	6,129
Effect on adoption of SFRS (1) 9 (Note 4 and Note 5)	-	-	(7)	(7)	-	(7)
Adjusted balance at 1 January 2018	5,627	-	495	6,122	-	6,122
Profit for the financial year	-	-	798	798	90	888
Total comprehensive income for the financial year	-	-	798	798	90	888
Contributions by and distribution to owners						
Adjustment pursuant to Restructuring Exercise	2,189	(1,951)	-	238	(238)	-
Issue of shares	6,800	-	-	6,800	-	6,800
Share issue expenses	(453)	-	-	(453)	-	(453)
Dividends	-	-	-	-	-	-
Total transactions with owners	8,536	(1,951)	-	6,585	(238)	6,347
Transactions with non-controlling interest						
Subscription of shares by non-controlling interest in subsidiaries	-	-	-	-	148	148
Total transactions with non-controlling interest	-	-	-	-	148	148
Balance at 31 December 2018	14,163	(1,951)	1,293	13,505	-	13,505

	Share capital	Capital reserve	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 2017	30	-	296	326	-	326
Adjustment on initial application of SFRS (I) 15 (net of tax)	-	-	28	28	-	28
Adjusted balance at 1 January 2017	30	-	324	354	-	354
Profit for the financial year	-	-	938	938	-	938
Total comprehensive income for the financial year	-	-	938	938	-	938
Contributions by and distribution to owners						
Adjustment pursuant to Restructuring Exercise	(20)	-	-	(20)	-	(20)
Issue of shares	5,617	-	-	5,617	-	5,617
Dividends	-	-	(760)	(760)	-	(760)
Total transactions with owners	5,597	-	(760)	4,837	-	4,837
Balance at 31 December 2017	5,627	-	502	6,129	-	6,129

Statement of Changes in Equity

Company

	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
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
Restructuring exercise	2,189	-	2,189
Share issue expenses	(453)	-	(453)
Total transactions with owners	8,536	-	8,536
Balance at 31 December 2018	14,163	1,512	15,675
Balance as 1 January 2017	10	90	100
Profit for the financial year	-	497	497
Total comprehensive income for the financial year	-	497	497
Contributions by and distributions to owners			
Issue of shares	5,617	-	5,617
Dividends	-	(200)	(200)
Total transactions with owners	5,617	(200)	5,417
Balance at 31 December 2017	5,627	387	6,014

- 1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, 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.**

Share Capital - Ordinary shares

	Number of issued shares	Issued and paid-up share capital (S\$)
Issued and fully paid-up shares as at the date of incorporation of our Company	2	2
Issue of shares pursuant to the Restructuring Exercise	18,604	7,816,295 ⁽¹⁾
Issued and paid-up share capital immediately after the Restructuring Exercise	18,606	7,816,297
Share Split (1:5,590)	104,007,540	7,816,297
Issue of shares to NCF	1,200,000	300,000
Issue of new shares pursuant to the IPO	26,000,000	6,500,000
Capitalisation of IPO expenses	-	(452,980)
	131,207,540	14,163,317

Note:-

- (1) This takes into account the fair value adjustment in share capital amounting to S\$3,069,234 which relates to the issue of shares to the vendors of Nex Healthcare Pte. Ltd. (“Nex”) on 9 November 2017 in accordance with SFRS (1)3 *Business Combination*. Please refer to the Offer Document for more details on the acquisition of Nex.

The Company had on 9 November 2018 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 December 2018 and 31 December 2017.

- 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 December 2018	As at 31 December 2017
Total number of issued shares	131,207,540	17,040

The Company did not have any treasury shares as at 31 December 2018 and 31 December 2017.

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 qualifications or emphasis of a matter)

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

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 combined financial statements for the financial year ended 31 December 2017 as set out in the company's offer document.

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 and the Company have adopted SFRS (I) issued by the Accounting Standards Council on 1 January 2018 as required by the listing requirements of the SGX-ST. SFRS (I) is a new financial reporting framework identical to the International Financial Reporting Standards.

Other than the adoption of SFRS(I) which are effective for its financial year beginning 1 January 2018, the Group expects that the adoption of the new financial reporting framework will have no material impact to the Group's and the Company's financial statements in the year of initial application. The impact of adopting the following SFRS(I) which are effective for financial year beginning 1 January 2018, are detailed as follows:

SFRS(I) 1 – First-time adoption of Singapore Financial Reporting Standards (International)

On transition to SFRS(I), the Group restated comparative periods financial statements to retrospectively apply SFRS(I) where applicable, except where SFRS(I) 1 specifically prohibited such retrospective applications and where optional exemptions from retrospective applications were elected.

SFRS(I) 9 – Financial Instruments

The Group and Company adopted SFRS(I) 9 and elected to apply the standard prospectively from effective date and recognized the difference between the previous carrying amount and the carrying amount at the beginning of the year in the opening retained earnings.

SFRS(I) 15 – Revenue from Contracts with Customers

The Group and Company adopted SFRS(I) 15 using the full retrospective approach and applied all practical expedients available.

Please refer to Note 29 of the audited combined financial statements for the financial year ended 31 December 2017 for further details on the effects arising from the application of SFRS (I) and the initial application of SFRS (I) 9 and SFRS (I) 15 for the financial year ended 31 December 2018.

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**

Earnings per share ("EPS")	Group	
	Full Year Ended	
	31-Dec-2018	31-Dec-2017
Profit attributable to owners of the Company (S\$)	798,000	938,000
Weighted average number of ordinary shares in issue	98,459,684	60,748,107
Basic and fully diluted EPS (S\$ cents) ⁽³⁾	0.81 ⁽¹⁾	1.54 ⁽²⁾

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 issued on 5 November 2018, (ii) 26,000,000 placement shares, which was issued on 6 December 2018; and (iii) 1,200,000 NCF Shares, which were issued on 6 December 2018.
- (2) For comparative and illustrative purposes, the weighted average number of ordinary shares in issue for the financial year ended 31 December 2017 was computed based on 55,911,180 ordinary shares (post Share Split) adjusted for issuance of 25,993,500 ordinary share (post Share Split) and 13,348,920 ordinary shares (post Share Split) on 9 November 2017 and 30 November 2017 respectively.
- (3) The basic and fully dilutive earnings per share were the same as there are no dilutive ordinary shares in issue as at 31 December 2018 and 31 December 2017.

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-Dec-18 (Unaudited)	31-Dec-17 (Audited)	31-Dec-18 (Unaudited)	31-Dec-17 (Audited)
NAV (S\$)	13,504,990	6,129,385	15,675,116	6,014,173
Number of ordinary shares in issue	131,207,540	104,007,540 ⁽¹⁾	131,207,540	104,007,540 ⁽¹⁾
NAV per ordinary share (S\$ cents)	10.29	5.89	11.95	5.78

Note:-

- (1) For comparative and illustrative purposes, the number of ordinary shares in issue as at 31 December 2017 was computed based on 104,007,540 ordinary shares immediately before the IPO.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-**
- (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 FY2018 as compared to FY2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group recorded approximately 196.01% increase in revenue for FY2018 as compared to FY2017. The growth in FY2018 arose from the full year revenue contribution from Nex and the acquisition of the Group's new subsidiaries (Acctax Management Consultancy Private Limited ("**Acctax**"), Patceljon Professional Services Pte Ltd ("**Patceljon**") and Jo-L Consultus Pte. Ltd. ("**Jo-L**")) during the financial year.

Other items of income

Other income, comprising mainly of fixed deposits interest, government grants, service income, recovery of bad debt and rental income, increased by approximately S\$0.09 million mainly due to government grants, rental income and the interest from placements of fixed deposits in FY2018.

Items of expenses

Inventories and consumables used increased by approximately S\$2.88 million or approximately 641.11% due to the acquisition of Nex in October 2017.

Employee benefits expense increased by S\$1.46 million, or approximately 124.98% in FY2018 due to additional headcounts from the acquisition of Nex, Acctax, Patceljon and Jo-L.

Amortisation and depreciation expenses increased by approximately S\$0.04 million or approximately 155.17% in FY2018 as compared to FY2017 due to additional plant and equipment from the acquisition of Nex and Acctax and increase in amortisation expenses for intangible assets which arose from the acquisition of Nex, Acctax and Patceljon.

Other expenses increased by S\$1.54 million or approximately 414.52% in FY2018, mainly 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 correspondingly, higher yearly statutory audit fee.

Allowance for doubtful debt increased by approximately S\$0.04 million due to the adoption of SFRS (I) 9 which requires impairment provisions for trade receivables using the lifetime expected credit losses amounting to S\$0.01 million and specific allowance of S\$0.03 million from receivables of AccTax, Patceljon and Jo-L.

Finance costs increased by S\$2,000 or approximately 200%, due to the finance leases obtained by Acctax and Nex, which were acquired by the Company in October 2017 and June 2018 respectively.

Profit before income tax

As a result of the abovementioned, profit before income tax increased by approximately S\$0.17 million or approximately 16.92%.

Income tax expense

Income tax expense increased by approximately S\$0.21 million or approximately 394.55% due to (a) higher taxable profits recorded in FY2018 compared to FY2017, and (b) non-deductible item such as the IPO expenses incurred in FY2018, which was added back for tax computation.

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 December 2018 and 31 December 2017.

Non-current assets

The Group's non-current assets mainly relates to plant and equipment, goodwill and intangible assets. The Group's goodwill and intangible assets (which relates to customer relationships) increased by approximately S\$1.22 million and S\$0.10 million respectively following the acquisitions of Acctax, Patceljon and Jo-L in FY2018.

Current assets

Inventories increased by approximately S\$0.02 million to cater for higher demand from customers.

Trade and other receivables increased by approximately S\$0.36 million due to 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 Nex and the acquisitions of Acctax, Patceljon and Jo-L in FY2018.

Prepayment increased by approximately S\$0.08 million due to prepayment of sponsorship fee, SGX retainer fee, membership fee and insurance.

Cash and cash equivalents increased by S\$3.50 million mainly due to the net proceeds of approximately S\$5.28 million received from the IPO and surplus generated from daily business operation.

Fixed deposit was related to new placements made in FY2018, of which S\$3.0 million came from the IPO proceeds, S\$0.90 million from Nex and S\$0.25 million from Patceljon.

Non-current liabilities

The Group recorded provisions of approximately S\$0.04 million as at 31 December 2018, which relates to provision of reinstatement costs for all the office premises leased by the Group, made in accordance to SFRS(I) 16, and deferred tax liability which arose from the intangible assets.

Current liabilities

Trade and other payables increased by approximately S\$0.22 million mainly due to increased payables arising from the acquisitions of Acctax, Patceljon and Jo-L.

Equity

The acquisition of the remaining issued and paid-up share capitals of Acctax, Patceljon and Jo-L, pursuant to which Acctax, Patceljon and Jo-L became wholly-owned subsidiaries of the Company had contributed to the capital reserves of S\$1.96 million.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Group recorded a net cash from operating activities of approximately S\$1.01 million in FY2018 compared to approximately S\$1.13 million in FY2017, mainly due to the payment of IPO expenses, increase in trade and other receivables and increase in prepayment.

Net cash used in investing activities of approximately S\$5.40 million in FY2018 was largely due to the acquisition of subsidiaries, Acctax, Patceljon and Jo-L, the purchase of new plant and equipment and placement of fixed deposit in FY2018.

Net cash from financing activities amounted to approximately S\$6.29 million, arising mainly from the gross IPO proceeds received in FY2018 of S\$6.50 million, and slightly offset by repayment of finance leases of approximately S\$0.03 million, repayment made to a director of the Company of approximately S\$0.03 million and share issue expenses of approximately S\$0.15 million.

Overall, the Group recorded a net increase in cash and cash equivalents of approximately S\$1.91 million in FY2018, due to IPO proceeds, which was offset by the acquisitions of new subsidiaries and purchase of plant and equipment.

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

Not applicable as no specific forecast or a prospect statement has been issued previously.

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.

The slow momentum of the economy in Singapore and the region may continue to have a dampening effect on the healthcare industry in general, the industry in which the Group's clients operate in.

While the acquisition of Acctax, Patceljon and Jo-L which provide services to clients outside of the healthcare industry helped buffer the general dampening effect on the healthcare industry, the Group continues to focus on providing Medical Support Services. On 23 January 2019, the Company entered into a sale and purchase agreement to acquire 55.0% of the total equity interest in Sen Med Holdings Pte. Ltd. ("**Sen Med**") ("**Proposed Acquisition**"), which primarily provides x-ray and health screening services. The services provided by Sen Med will expand the Group's range of Medical Support Services offerings.

The Company will continuously explore acquisition, joint ventures and/or strategic partnerships with prudence and will consider opportunities which will complement our existing operations and which are also beneficial to our strategic long-term objectives. As stated in the Offer Document, the Company may, depending on factors such as prevailing market conditions and the Group's financial performance, decide to acquire Ark Leadership and Learning Pte. Ltd. We believe that the acquisition will provide the Group with an additional competitive advantage and allow the Group to expand its existing service offerings.

Based on the current economic outlook and barring unforeseen circumstances, the Directors expect the Group to continue growing and remain profitable in the financial year 2019.

11. Dividend

If a decision regarding dividend has been made: -

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

Yes

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

- (b) Previous corresponding period (cents)

Not comparative, as the cash dividend of 2,000 Singapore cents per ordinary share (one tier tax exempt) was based on 10,000 ordinary shares in issue as at 16 October 2017.

- (c) The date the dividend is payable.

The Directors are pleased to recommend a final dividend of 0.84 cents per share amounting to approximately S\$1.10 million in respect of the financial year ended 31 December 2018 for approval by the shareholders at the next Annual General Meeting to be convened on 30 April 2019.

The date of payment of the proposed dividends, if approved at the Annual General Meeting, will be announced at a later date.

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

The books closure date will be announced at a later date.

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

Not applicable.

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)
JK Group Services Pte Ltd ⁽¹⁾	121	-

Note:-

- (1) 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. Please refer to the Offer Document for more details.

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 announced by the Company on 23 January 2019, the Company intends to fund the Proposed Acquisition through the IPO net proceeds. Subsequent to the completion of the Proposed Acquisition, 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 the Group's business operations via acquisitions, joint ventures and/or strategic partnerships	4,000.00	1,732.50	2,267.50
Working capital	1,316.00	36.00	1,280.00
Total	5,316.00	1,768.50	3,547.50

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

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	Unallocated Expenses	Consolidated
FY2018					
Revenue					
External revenue	3,119,169	1,761,746	4,100,471	-	8,981,386
Profit from operations					
Interest income	96	276	96	10,973	11,440
Inventories and consumables used	-	-	3,308,518	-	3,308,518
Finance costs	-	690	2,099	-	2,789
Depreciation	6,139	11,999	11,646	19,018	48,801
Employee benefits expense	713,929	722,538	532,238	651,978	2,620,682
Income tax expense	169,860	75,388	25,570	9,142	279,959
Reportable segment profit before income tax	1,409,192	565,764	153,111	(967,082)	1,160,985
Net profit for the financial year after tax	1,239,333	490,376	127,541	(976,224)	881,026
Other information:					
Segment assets	2,284,344	1,115,181	1,142,521	10,366,601	14,908,646
Segment liabilities	672,741	318,377	170,037	215,146	1,376,302
FY2017					
Revenue					
External revenue	1,377,618	997,826	668,093	-	3,033,652
Profit from operations					
Interest income	163	-	162	-	325
Inventories and consumables	-	-	490,076	-	490,076
Employee benefits expense	198,474	845,042	121,652	-	1,165,168
Depreciation and amortisation expenses	400	25,993	1,681	-	28,074
Finance costs	-	-	1,396	-	1,396

Income tax expense	23,549	27,490	5,113	-	56,152
Reportable segment profit before income tax	416,399	544,897	41,195	-	1,002,491
Net profit for the financial year after tax	392,850	517,407	36,082	-	946,339
<hr/>					
Other information:					
Segment assets	989,050	4,878,152	1,144,637	-	7,011,838
Segment liabilities	182,014	145,272	575,034	-	902,319
<hr/>					

(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:

	FY2018 S\$'000	FY2017 S\$'000	Increase / (Decrease) %
(a) Sales reported for first half year	4,459	1,102	304.63
(b) Operating profit after tax before deducting minority interest reported for first half year	1,075	583	84.39%
(c) Sales reported for second half year	4,522	1,932	134.06%
(d) Operating profit/(loss) after tax before deducting minority interest reported for second half year	(187)	355	(152.68)%

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:

	FY2018 S\$'000	FY2017 S\$'000
Ordinary shares (tax exempt 1-tier)		
- Interim	-	200 ⁽¹⁾
- Final (Proposed)	1,102 ⁽²⁾	-
Total Annual Dividend	1,102	200

Note:-

- (1) Refers to the dividend declared and paid by the Company in FY2017.
(2) The proposed final ordinary dividend for FY2018 is based on estimated number of shares outstanding as at 1 March 2019.

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

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) 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
1 March 2019

*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 its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 049619, telephone (65) 6950 2188.