

**MEDINEX LIMITED**

Incorporated in the Republic of Singapore

Registration No. 200900689W

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**VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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The Board of Directors (the “**Board**”) of Medinex Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the unaudited full year financial statements announcement for the financial year ended 31 December 2018 (“**FY2018**”) released by the Company on 1 March 2019.

All capitalized terms in this announcement shall have the same meanings as ascribed to them in the aforementioned announcement unless otherwise defined.

Pursuant to Rule 704 (5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to highlight that the management of the Company has adopted certain adjustments and reclassifications proposed by the external auditors to the unaudited consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows for FY2018, following the finalisation of the audit. The aforesaid adjustments and reclassification are set out in Appendix A of this announcement.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Group</b>				<b>Note</b>
	<b>Full Year Ended</b>				
	<b>31 December 2018</b>				
	<b>Audited</b>	<b>Unaudited</b>	<b>Variance</b>	<b>Variance</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	
Revenue	9,008	8,981	27	N.M.	
<b>Other item of income</b>					
Other income	73	100	(27)	(27)	<b>1</b>
<b>Item of expense</b>					
Changes in inventories	21	26	(5)	(19)	<b>2</b>
Inventories and consumables	(3,329)	(3,335)	6	N.M.	<b>2</b>
Employee benefits expense	(2,621)	(2,621)	-	-	
Depreciation and amortisation expenses	(74)	(74)	-	-	
Loss allowance on receivables	(26)	-	(26)	N.M.	<b>3</b>
Other expenses	(1,880)	(1,907)	27	1	<b>2 &amp; 3</b>
Finance costs	(3)	(3)	-	-	
Profit before income tax	1,169	1,167	2	N.M.	
Income tax expense	(262)	(279)	17	6	<b>4</b>
<b>Profit for the financial year, representing total comprehensive income for the financial year</b>	<b>907</b>	<b>888</b>	<b>19</b>	<b>2</b>	
<b>Profit and total comprehensive income attributable to:</b>					
Owners of the parent	817	798	19	2	
Non-controlling interests	90	90	-	-	
	<b>907</b>	<b>888</b>	<b>19</b>	<b>2</b>	

N.M. - not meaningful

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group				Note
	Full Year Ended 31 December 2018				
	Audited S\$'000	Unaudited S\$'000	Variance S\$'000	Variance %	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	97	97	-	-	
Financial assets at fair value through profit or loss	1	1	-	-	
Goodwill	-	3,643	(3,643)	(100)	<b>5</b>
Intangible assets	3,780	111	3,669	N.M.	<b>5</b>
	<u>3,878</u>	<u>3,852</u>	<u>26</u>	<u>1</u>	
<b>Current assets</b>					
Inventories	473	473	-	-	
Trade and other receivables	1,253	1,331	(78)	(6)	<b>6</b>
Prepayments	94	94	-	-	
Fixed deposit	4,150	4,150	-	-	
Cash and bank balances	4,982	4,982	-	-	
	<u>10,952</u>	<u>11,030</u>	<u>(78)</u>	<u>(1)</u>	
<b>Total assets</b>	<b>14,830</b>	<b>14,882</b>	<b>(52)</b>	<b>N.M.</b>	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	14,163	14,163	-	-	
Capital reserve	(1,948)	(1,951)	3	N.M.	
Retained earnings	1,312	1,293	19	1	
<b>Total equity</b>	<u>13,527</u>	<u>13,505</u>	<u>22</u>	<u>N.M.</u>	
<b>Non-current liabilities</b>					
Finance lease payables	4	-	4	100	<b>7</b>
Deferred tax liabilities	24	19	5	26	<b>8</b>
Provisions	29	29	-	-	
	<u>57</u>	<u>48</u>	<u>9</u>	<u>19</u>	
<b>Current liabilities</b>					
Trade and other payables	954	1,033	(79)	(8)	<b>6</b>
Finance lease payables	6	10	(4)	(40)	<b>7</b>
Current income tax payable	286	286	-	-	
	<u>1,246</u>	<u>1,329</u>	<u>(83)</u>	<u>(6)</u>	
<b>Total liabilities</b>	<u>1,303</u>	<u>1,377</u>	<u>(74)</u>	<u>(5)</u>	
<b>Total equity and liabilities</b>	<b>14,830</b>	<b>14,882</b>	<b>(52)</b>	<b>N.M.</b>	

N.M. - not meaningful

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Group Full Year Ended 31 December 2018		Variance S\$'000	Variance %	Note
	Audited S\$'000	Unaudited S\$'000			
<b>Operating activities</b>					
Profit before income tax	1,169	1,167	2	N.M.	
Adjustments for:					
Allowance for impairment loss on doubtful debts	-	30	(30)	(100)	<b>9</b>
Amortisation of intangible assets	25	25	-	-	
Loss allowance on receivables	26	-	26	100	<b>9</b>
Bad debts written-off	7	3	4	133	<b>9</b>
Inventories written-off	5	5	-	-	
Depreciation of plant and equipment	49	49	-	-	
Gain on fair value of financial assets through profit or loss	*	-	N.M.	N.M.	
Allowance for impairment loss on doubtful debts written back	(9)	(7)	(2)	29	
Interest income	(11)	(11)	-	-	
Interest expense	3	3	-	-	
Operating cash flows before working capital changes	1,264	1,264	-	-	
Working capital changes:					
Inventories	(26)	(26)	-	-	
Trade and other receivables	(101)	(180)	79	44	<b>6</b>
Prepayments	(82)	(82)	-	-	
Trade and other payables	9	142	(133)	(94)	<b>6 &amp; 10</b>
Cash generated from operations	1,064	1,118	(54)	(5)	
Income tax paid	(69)	(68)	(1)	1	
<b>Net cash from operating activities</b>	<b>995</b>	<b>1,050</b>	<b>(55)</b>	<b>(5)</b>	

N.M. - not meaningful

\* - less than S\$1,000

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	<b>Group</b>		<b>Variance</b>	<b>Variance</b>	<b>Note</b>
	<b>Full Year Ended</b>				
	<b>31 December 2018</b>				
	<b>Audited</b>	<b>Unaudited</b>	<b>S\$'000</b>	<b>%</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>		
<b>Investing activities</b>					
Acquisition of subsidiaries, net of cash acquired	(1,219)	(1,274)	55	(4)	<b>10</b>
Increase in fixed deposit	-	(4,150)	4,150	(100)	<b>11</b>
Interest received	11	11	-	-	
Purchase of plant and equipment	(16)	(16)	-	-	
<b>Net cash (used in)/from investing activities</b>	<b>(1,224)</b>	<b>(5,429)</b>	<b>4,205</b>	<b>77</b>	
<b>Financing activities</b>					
Advances from directors of the Company	3	3	-	-	
Proceeds from issuance of shares	6,500	6,500	-	-	
Repayment to director	(26)	(26)	-	-	
Repayment of finance lease	(27)	(27)	-	-	
Interest paid	(3)	(3)	-	-	
Share issue expenses	(153)	(153)	-	-	
<b>Net cash from financing activities</b>	<b>6,294</b>	<b>6,294</b>	<b>-</b>	<b>-</b>	
<b>Net change in cash and cash equivalents</b>	<b>6,065</b>	<b>1,915</b>	<b>4,150</b>	<b>217</b>	<b>11</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>3,067</b>	<b>3,067</b>	<b>-</b>	<b>-</b>	
<b>Cash and cash equivalents at end of financial year</b>	<b>9,132</b>	<b>4,982</b>	<b>4,150</b>	<b>83</b>	

**NOTES:**

**Consolidated Statement of Comprehensive Income**

1. The decrease in other income is mainly due to reclassification of Nex Healthcare Pte. Ltd.'s ad-hoc service income from other income to revenue.
2. The decrease in changes in inventories is mainly due to reclassification of inventories written off from other expenses.
3. Loss allowance on receivables had been reclassified from other expenses.
4. The decrease in income tax expense is mainly due to adjustment arising from income tax expenses pertaining to the pre-acquisition profits of Patceljon Professional Services Pte Ltd ("PPS") and Jo-L Consultus Pte. Ltd. ("Jo-L").

**Consolidated Statement of Financial Position**

5. The increase in intangible assets is mainly due to the reclassification of goodwill into intangible assets and adjustments made following the finalisation of the purchase price allocation report for the acquisition of PPS and Jo-L.
6. The decrease in trade and other receivables is mainly due to offsetting of Goods and Services Tax ("GST") payables against GST receivables to reflect the net amount of GST receivables.
7. The increase in finance lease payables is mainly due to the reclassification of financial lease payables from non-current to current for the portion of liabilities due within the next 12 months.
8. The increase in deferred tax liabilities is mainly due to adjustment arising from the increase of intangible assets.

**Consolidated Statement of Cash Flow**

9. The decrease in allowance for impairment loss on doubtful debts is due to reclassifying such allowance into loss allowance on receivables and bad debts written-off.
10. The decrease in acquisition of subsidiaries, net of cash acquired is mainly due to the reclassification of the remaining purchase consideration payable for the acquisition of PPS and Jo-L to other payables.
11. Fixed deposit of S\$4.15 million is reclassified from investing activities to cash and cash equivalents as there is no significant cost or penalty in converting the fixed deposits into cash before maturity. Accordingly, the net change in cash and cash equivalents for FY2018 increased by S\$4.15 million.

By Order of the Board

Jessie Low Mui Choo  
Executive Director and Chief Executive Officer  
5 April 2019

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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 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.

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