

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 2021

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 year from 1 April 2020 to 31 March 2021 (“**FY2021**”) and the comparative audited financial results of the Group for the financial period from 1 January 2019 to 31 March 2020 (“**FY2020**”).

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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-Apr-20 to 31-Mar-21 (12 months) Unaudited S\$'000	1-Jan-19 to 31-Mar-20 (15 months) Audited S\$'000	
Revenue	10,786	16,743	(35.58%)
Other items of income			
Other income	2,557	402	536.07%
Item of expenses			
Changes in inventories	(275)	378	N.M.
Inventories and consumables used	(2,848)	(5,300)	(46.26%)
Employee benefits expense	(4,287)	(5,112)	(16.14%)
Amortisation and depreciation expenses	(693)	(748)	(7.35%)
Loss allowance on receivables	(283)	(200)	41.50%
Other expenses	(1,038)	(1,498)	(30.71%)
Finance costs	(72)	(82)	(12.20%)
Share of results of joint ventures, net of tax	10	64	(84.38%)
Profit before income tax	3,857	4,647	(17.00%)
Income tax expenses	(303)	(553)	(45.21%)
Profit for the financial year/period	3,554	4,094	(13.19%)

Other comprehensive income
*Items that will or may be
reclassified subsequently to profit
or loss*

Foreign currency translation differences	1	-	100%
Other comprehensive income for the financial year/period, net of tax	1	-	100%
Total comprehensive income for the financial year/period	3,555	4,094	(13.17%)

Profit attributable to:

Owners of the company	3,494	3,636	(3.91%)
Non-controlling interests	60	458	(86.90%)
	3,554	4,094	(13.19%)

Profit and total comprehensive
income attributable to:

Owners of the company	3,495	3,636	(3.88%)
Non-controlling interests	60	458	(86.90%)
	3,555	4,094	(13.17%)

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-Apr-20 to 31-Mar-21 (12 months) Unaudited S\$'000	1-Jan-19 to 31-Mar-20 (15 months) Audited S\$'000
Profit for the financial year/period		
is stated after charging the following:		
Fair value gain on financial asset at fair value through profit or loss (“FVTPL”)	(1,281)	(136)
Gain on disposal on financial asset at FVTPL	(5)	-
Rental income	(33)	(65)
Rental rebate	(123)	-
Dividend income	(189)	-
Government grants	(741)	(93)
Interest income	(74)	(53)
Bad debts written off	67	-
Amortisation of intangible assets	101	55
Depreciation of plant and equipment	37	31
Depreciation of right-of-use assets	555	661
Inventories written off	-	30
Cost of service	185	360
Platform fees	142	275
Professional fees	93	65
Repair and maintenance	63	63

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-21 Unaudited S\$'000	31-Mar-20 Audited S\$'000	31-Mar-21 Unaudited S\$'000	31-Mar-20 Audited S\$'000
ASSETS				
Non-current assets				
Plant and equipment	102	59	51	16
Right-of-use assets	1,478	1,915	-	-
Intangible assets	7,098	7,193	-	-
Investment in subsidiaries	-	-	10,884	10,923
Investment in joint ventures	321	139	286	91
Financial assets at FVTPL	4,321	887	4,320	886
Other receivables	589	534	589	534
	13,909	10,727	16,130	12,450
Current assets				
Inventories	562	836	-	-
Trade and other receivables	2,188	2,356	209	937
Contract assets	15	51	-	-
Prepayments	100	86	61	60
Fixed deposit	1,551	1,529	1,038	1,020
Cash and bank balances	5,107	3,736	1,243	621
	9,522	8,594	2,551	2,638
Total assets	23,431	19,321	18,681	15,088
EQUITY AND LIABILITIES				
Equity				
Share capital	14,163	14,163	14,163	14,163
Other reserves	(1,540)	(1,540)	408	408
Foreign currency translation reserve	1	-	-	-
Retained earnings	4,034	1,642	1,869	70
Equity attributable to owners of the parent	16,658	14,265	16,440	14,641
Non-controlling interests	269	344	-	-
Total equity	16,927	14,609	16,440	14,641

	Group		Company	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Deferred tax liabilities	43	59	-	-
Lease liabilities	910	1,376	-	-
Bank borrowings	2,292	-	-	-
Provisions	23	29	-	-
	3,268	1,464	-	-
Current liabilities				
Trade and other payables	1,639	1,706	2,231	437
Lease liabilities	534	539	-	-
Contract liabilities	459	388	-	-
Bank borrowings	218	10	10	10
Current income tax payables	386	605	-	-
	3,236	3,248	2,241	447
Total liabilities	6,504	4,712	2,241	447
Total equity and liabilities	23,431	19,321	18,681	15,088

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-21			As at 31-Mar-20		
Secured		Unsecured	Secured		Unsecured
S\$'000		S\$'000	S\$'000		S\$'000
54		218	47		10

Amount repayable after one year

As at 31-Mar-21			As at 31-Mar-20		
Secured		Unsecured	Secured		Unsecured
S\$'000		S\$'000	S\$'000		S\$'000
28		2,292	41		-

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-Apr-20 to 31-Mar-21 Unaudited S\$'000	1-Jan-19 to 31-Mar-20 Audited S\$'000
Operating activities		
Profit before income tax	3,857	4,648
Adjustments for:		
Amortisation of intangible assets	101	55
Loss allowance on receivables	283	200
Gain on lease termination	(3)	-
Gain on disposal of financial asset at FVTPL	(5)	-
Depreciation of plant and equipment	37	31
Depreciation of right-of-use assets	555	661
Bad debt recovered	(3)	(8)
Bad debt written off	67	-
Plant and equipment written off	1	-
Rental rebate	(123)	-
Dividend income from financial asset at FVTPL	(189)	-
Impairment loss on joint venture	12	-
Inventories written off	-	30
Fair value gain on financial asset at FVTPL	(1,281)	(136)
Share of results of joint ventures, net of tax	(10)	(64)
Interest income	(74)	(53)
Interest expense	72	82
Operating cash flows before working capital changes	3,297	5,446
Working capital changes:		
Inventories	275	(337)
Trade and other receivables	(295)	(868)
Contract assets and contract liabilities	107	194
Provision	(10)	-
Prepayments	(13)	10
Trade and other payables	168	(212)
Cash generated from operations	3,529	4,233
Income tax paid	(537)	(297)
Net cash from operating activities	2,992	3,936

	1-Apr-20 to 31-Mar-21 Unaudited S\$'000	1-Jan-19 to 31-Mar-20 Audited S\$'000
Investing activities		
Acquisition of subsidiaries, net of cash acquired	(120)	(2,137)
Dividend income from joint venture	23	16
Dividend income from financial asset at FVTPL	189	-
Investment in joint ventures	(207)	*
Loan to joint ventures	-	(625)
Interest received	19	53
Investment in financial asset at FVTPL, net	(2,148)	(750)
Purchase of intangible asset	(6)	-
Purchase of right-of-use asset	(45)	-
Purchase of plant and equipment	(80)	(43)
Net cash used in investing activities	(2,375)	(3,486)
Financing activities		
Repayments of principal portion of lease liabilities	(416)	(622)
Repayments of interest portion of lease liabilities	(50)	(82)
Proceeds from bank borrowings	2,500	10
Interest paid	(22)	-
Dividends paid to owners of the parent	(1,102)	(3,306)
Dividends paid to non-controlling interest	(135)	(317)
Net cash from/(used in) financing activities	775	(4,317)
Net change in cash and cash equivalents	1,392	(3,867)
Cash and cash equivalents at beginning of financial year/period	5,265	9,132
Exchange difference on cash and cash equivalents	1	-
Cash and cash equivalents at end of financial year/period	6,658	5,265

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

(Unaudited)	Share capital	Other reserves	Foreign currency translation 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	S\$'000
Balance at 1 April 2020	14,163	(1,540)	-	1,642	14,265	344	14,609
Profit for the financial year	-	-	-	3,494	3,494	60	3,554
<i>Other comprehensive income</i>	-	-	-	-	-	-	-
Foreign currency translation difference - foreign operation	-	-	1	-	1	-	1
Total comprehensive income for the financial year	-	-	1	3,494	3,495	60	3,555

Group (cont'd)

(Unaudited)	Share capital	Other reserves	Foreign currency translation 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	S\$'000
Distribution to owners							
Dividend	-	-	-	(1,102)	(1,102)	-	(1,102)
Total transactions with owners	-	-	-	(1,102)	(1,102)	-	(1,102)
Transactions with non-controlling interest							
Dividends	-	-	-	-	-	(135)	(135)
Total transactions with non-controlling interest	-	-	-	-	-	(135)	(135)
Balance at 31 March 2021	14,163	(1,540)	1	4,034	16,658	269	16,927

Consolidated Statement of Changes in Equity

Group

(Audited)	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	458	4,094
Total comprehensive income for the financial period	-	-	3,636	3,636	458	4,094
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						
Subscriptions of shares by non-controlling interest in subsidiaries	-	-	-	-	381	381
Dividend	-	-	-	-	(495)	(495)
Total transactions with non-controlling interest	-	-	-	-	(114)	(114)
Balance at 31 March 2020	14,163	(1,540)	1,642	14,265	344	14,609

Statement of Changes in Equity

Company

(Unaudited)	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance as 1 April 2020	14,163	408	70	14,641
Profit for the financial year	-	-	2,901	2,901
Total comprehensive income for the financial year	-	-	2,901	2,901
Distributions to owners				
Dividends	-	-	(1,102)	(1,102)
Total transactions with owners	-	-	(1,102)	(1,102)
Balance at 31 March 2021	14,163	408	1,869	16,440
(Audited)				
Balance as 1 January 2019	14,163	-	1,512	15,675
Profit for the financial period	-	-	1,864	1,864
Total comprehensive income for the financial period	-	-	1,864	1,864
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	70	14,641

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 year 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. 30 September 2020. The total number of issued shares as at 31 March 2021 is 131,207,540 (30 September 2020: 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 does not have any convertible securities.

The Company did not have any treasury shares and subsidiary holdings as at 31 March 2021 and 31 March 2020.

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

	As at 31 March 2021	As at 31 March 2020
Total number of issued shares	131,207,540	131,207,540

The Company did not have any treasury shares as at 31 March 2021 and 31 March 2020.

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

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

Not applicable, as the Company did not have any subsidiary holdings during, and as at the end, of the current financial year 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

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 period from 1 January 2019 to 31 March 2020.

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

There are no changes in the accounting policies and methods of computation for the current financial period reported on.

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).

	Group	
Earnings per share ("EPS")	1-Apr-20 to 31-Mar-21 Unaudited	1-Jan-19 to 31-Mar-20 Audited
Profit attributable to owners of the Company (S\$)	3,494,000	3,636,000
Weighted average number of	131,207,540	131,207,540

ordinary shares in issue		
Basic and fully diluted EPS (S\$ cents) ⁽¹⁾	2.66	2.77

Note:-

- (1) The basic and fully dilutive EPS were the same as there are no dilutive ordinary shares in issue as at 31 March 2021 and 31 March 2020.

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

	Group		Company	
	31-Mar-21 (Unaudited)	31-Mar-20 (Audited)	31-Mar-21 (Unaudited)	31-Mar-20 (Audited)
Net asset value ("NAV")				
NAV (S\$) ⁽¹⁾	16,658,000	14,265,000	16,440,000	14,641,000
Number of ordinary shares in issue	131,207,540	131,207,540	131,207,540	131,207,540
NAV per ordinary share (S\$ cents)	12.70	10.87	12.53	11.16

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 FY2021 as compared to FY2020

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 year from 1 April 2020 to 31 March 2021 (12 months financial year) as compared to the Group's financial results for the period from 1 January 2019 to 31 March 2020 (15 months financial period).

Revenue

The Group recorded a decrease in revenue of approximately S\$5.96 million or approximately 35.58% for FY2021 as compared to FY2020. The decrease in revenue in FY2021 was mainly due to the decrease in demand for medical services and pharmaceutical products during the COVID-19 pandemic. Our subsidiary, Nex Healthcare Pte Ltd, which is primarily involve in providing pharmaceutical services and medical support services, recorded a reduction in revenue of S\$2.11 million arising mainly from the lower demand in pharmaceutical products. Another subsidiary, Sen Med Holdings Pte. Ltd and its subsidiaries (the “**Sen Med Group**”), has recorded a decrease in revenue by S\$2.07 million arising from the decrease in demand for health screening services and general medical services attributed by (a) border controls which restricted the entry of new foreign workers, and (b) the waiver of requirement for foreign workers to undertake an annual health screening check. The remaining decrease in revenue was due to the shorter financial period of 12 months in FY2021 as compared to 15 months in FY2020.

Other items of income

Other income, which comprised mainly of fixed deposits interest, government grants, fair value gain on financial asset at FVTPL, rental rebate and rental income, increased by approximately S\$2.16 million. The increase was mainly due to (a) the increase of fair value gain on investment in financial asset at FVTPL of approximately S\$1.15 million, (b) the increase in dividend income of approximately S\$0.19 million from the Company’s investments in quoted securities, (c) the increase in government grants and rental rebate of an aggregate of approximately S\$0.77 arising from the COVID-19 pandemic, and (d) the increase in interest income in FY2021 of approximately S\$0.02 million arising from the placement of additional fixed deposits in FY2021.

Items of expenses

Inventories and consumables used and changes in inventories decreased by approximately S\$1.80 million in FY2021 as compared to FY2020. The decrease was due to the fall in demand for medical services and pharmaceutical products.

Amortisation and depreciation expenses decreased by approximately S\$0.06 million or approximately 7.35% in FY2021 as compared to FY2020 due mainly to the decrease in depreciation of right-of-use assets of approximately S\$0.11 million arising from the termination of office leases in FY2021, and partially offset by the increase in amortisation of intangible assets of approximately S\$0.05 million from Ark Leadership & Learning Pte. Ltd. (“**Ark**”), and SKI Consultancy Pte Ltd (“**SKIC**”) and Medinex Advisory Pte Ltd (“**Medinex Advisory**”) (SKIC and Medinex Advisory are collectively known as the “**SKI Group**”) in FY2021.

Employee benefits expense decreased by S\$0.83 million, or approximately 16.14%, mainly due to a shorter financial period of 12 months in FY2021 as compared to 15 months in FY2020. The shifting of some of the manpower cost to Malaysia had also contributed to the decrease in

employee benefits expense in FY2021.

Loss allowance on receivables increased by approximately S\$0.08 million or 41.50% due to higher impairment provisions in FY2021 as compared to FY2020, after taking into consideration the COVID-19 situation which increases the credit losses for the debtors.

Other expenses decreased by approximately S\$0.46 million or approximately 30.71% in FY2021, mainly due to (a) the reduction of cost of services of S\$0.18 million which is in line with the decrease in revenue due to the COVID-19 pandemic, (b) the decrease of platform cost of S\$0.13 million due to a shorter financial period of 12 months in FY2021 as compared to 15 months in FY2020, (c) the decrease of set-up costs of S\$0.04 million due to the completion of the setting up of our shared services centre in Malaysia, under our new subsidiary in Malaysia, Medinex Corporate Services Sdn. Bhd. (“**MSC**”), which was incorporated in 1HFY2021. Set-up costs relating to MSC’s office were incurred in FY2020 in anticipation of its incorporation in 1HFY2021, (d) the decrease in inventory written off of S\$0.03 million, and (e) the decrease in other miscellaneous expenses (which consisted of, among others, utilities, upkeep of vehicle and traveling expenses) of approximately S\$0.18 million due to the COVID-19 pandemic. The decrease in other expenses is partially offset by (a) the increase in bad debts written off of approximately S\$0.07 million, and (b) the increase in professional fees of approximately S\$0.03 million.

Share of results of joint ventures (net of tax) arises from the investment in (a) approximately 27.8% equity interest in Zenmedic Capital Pte. Ltd. (“**Zenmedic**”), (b) 25% equity interest in J-Connect Media Pte Ltd (“**JMPL**”), and (c) 20% equity interest in Healthcare Essential Pte Ltd (“**HEPL**”). The share of results of joint ventures (net of tax) decreased by approximately S\$0.05 million mainly due to the decrease in share of profit from Zenmedic of S\$0.03 million, and the increase in share of losses incurred by HEPL and JMPL of S\$0.02 million in FY2021.

Profit before income tax

As a result of the abovementioned, profit before income tax decreased by approximately S\$0.79 million or approximately 17.00%. The decrease in profit before income tax was also due to a shorter financial period of 12 months in FY2021 as compared to 15 months in FY2020.

Income tax expense

Income tax expenses decreased by approximately S\$0.25 million or approximately 45.21% due to lower taxable profits recorded in FY2021 compared to FY2020.

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 2021 and 31 March 2020.

Non-current assets

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

The Group's intangible assets (which relates to customer relationships) decreased by approximately S\$0.10 million due to amortisation of intangible assets of the Company's subsidiaries, Acctax Management Consultancy Pte Ltd, Ark, Medinex Advisory, SKIC and Medinex Professional Services Pte Ltd in FY2021.

The Group's investment in joint ventures increased by approximately S\$0.20 million due to the investments in 20% equity interest of HEPL and 25% equity interest of JMPL in FY2021.

The Group's right-of-use assets decreased by approximately S\$0.44 million due to depreciation expenses and the non-renewal of some of the expired lease agreements during the year.

The Group's plant and equipment increased by approximately S\$0.04 million mainly due to the purchase of office equipment, renovation and medical equipment amounting to S\$0.08 million and partially offset by the depreciation of plant and equipment amounting to S\$0.04 million.

Financial assets at FVTPL increased by approximately S\$3.43 million due to an increase in investment in quoted securities of S\$3.39 million, and revaluation gain of the quoted securities of S\$0.98 million. The increase was slightly offset by the disposal of quoted securities of S\$0.94 million in FY2021.

Other receivables increased by approximately S\$0.06 million due to interest incurred on the loan provided to the Company's joint venture entity, Zenmedic. This interest is an accounting interest pursuant to SFRS(I) 109 arising from the recognition of the loan at fair value at inception.

Current assets

Inventories decreased by approximately S\$0.27 million mainly due to the decrease in inventory of pharmaceutical products in Nex Healthcare Pte Ltd which is in line with the decrease in revenue due to the COVID-19 pandemic, which had affected the business of Nex's clients which mainly operates medical clinics.

Trade receivables decreased by approximately S\$0.01 million due to (a) the increase in loss allowance on receivables amounting to S\$0.26 million, (b) bad debts written off amounting to S\$0.07 million, partially offset by an increase in trade receivable of S\$0.32 million.

Other receivables decreased by approximately S\$0.16 million due to (a) the decrease in Job Support Scheme grant receivable amounting to approximately S\$0.18 million, and (b) the decrease in deposit by S\$0.03 million due to the expiry of the rental of certain office premises. The decrease in other receivables is partially offset by the increase in other debtors of approximately S\$0.05 million.

Contract assets decreased by approximately S\$0.04 million due to the decrease in accrued revenue.

Non-current liabilities

The non-current lease liabilities decreased by approximately S\$0.47 million mainly due to the payment of lease liabilities in FY2021.

The non-current bank borrowing increased by approximately S\$2.29 million due to the drawdown of new loan in FY2021.

Current liabilities

Trade and other payables decreased by approximately S\$0.07 million mainly due to (a) the payment of the remaining purchase consideration of S\$0.12 million in FY2021 for the acquisition of the SKI Group, (b) the decrease in deferred grant income of approximately S\$0.15 million, (c) the decrease in dividend payable by S\$0.06 million. The decrease of trade and other payables is slightly offset by employee benefits expense of approximately S\$0.4 million due to (i) a bonus payout, (ii) the payment of unutilized leave and (iii) the contribution to the Central Provident Fund (CPF).

Contract liabilities increased by approximately S\$0.07 million due to the increase of deferred income amounting to approximately S\$0.15 million, and slightly offset by the decrease in advance payment received from customers of approximately S\$0.08 million.

Current bank borrowing increased by approximately S\$0.21 million arising from the drawdown of a new loan in FY2021.

Current income tax payable decreased by S\$0.22 million mainly due to the decrease of the Group's net profit before tax of approximately S\$0.79 million in FY2021.

Equity

The increase in retained earnings of S\$2.39 million as at 31 March 2021 as compared to 31 March 2020 is mainly due to profit earned of approximately S\$3.49 million and offset by dividend payment of approximately S\$1.1 million in FY2021.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Group recorded net cash generated from operating activities of approximately S\$2.99 million in FY2021, mainly due to operating cash flow before changes in working capital of approximately S\$3.30 million, and adjusted for net working capital inflow of approximately S\$0.23 million and income tax paid of S\$0.54 million. Our net working capital inflow were mainly due to (a) the decrease in inventories of approximately S\$0.27 million, (b) the decrease in contract assets and contract liabilities of approximately S\$0.11 million, (c) the decrease in trade and other payables of approximately of S\$0.17 million, and partially offset by (a) increase of prepayments of approximately S\$0.01 million, (b) increase in trade and other receivables of approximately S\$0.30 million, and (c) the decrease in provision of approximately S\$0.01 million.

Net cash used in investing activities of approximately S\$2.38 million FY2021 was mainly due to (a) the investment in JMPL and HEPL of approximately S\$0.21 million, (b) the investment of financial asset at FVTPL of approximately S\$2.15 million, (c) the payment of the remaining purchase consideration of S\$0.12 million in FY2021 for the acquisition of the SKI Group, and (d) the purchase of PPE, right-of-use assets and intangible asset of an aggregate of S\$0.13 million, partially offset by (i) the dividend income from joint venture and financial asset at FVTPL of approximately S\$0.21 million, and (ii) the interest received from fixed deposit of S\$0.02 million.

Net cash generated from financing activities amounted to approximately S\$0.78 million, mainly due to drawdown of new bank loan of approximately S\$2.50 million, and partially offset by (a) dividend payout to shareholders of the Company and non-controlling interests of Sen Med of approximately S\$1.24 million, (b) repayment of lease liabilities and its interest portion of an aggregate of approximately S\$0.46 million, and (c) interest paid of approximately \$0.02 million.

Overall, the Group recorded a net increase in cash and cash equivalents of approximately S\$1.39 million in FY2021, mainly due to the drawdown of a new bank loan and the 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

Not applicable as no forecast or prospect statement has been disclosed 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.

As the global COVID-19 situation worsen, with new variants and cases spreading from South Asia to Southeast Asia, the Group expects that the overall business environment will continue to be quite challenging. Businesses across different sectors in Singapore including healthcare

continues to grapple with the threat of a downward revenue trend.

To lessen the impact of a downward revenue trend, the Group has announced a couple of investments in joint ventures in FY2021 and will continue to seek out other joint venture and/or acquisition opportunities in the financial year ending 31 March 2022.

Concurrently, the Group will continue to focus on providing higher value services that cannot be easily substituted such as business consultation in merger and acquisitions and value-added services on grant applications for the benefits of our clients.

As a long-term strategy in respect of cost saving measures, the Group will continue to expand the operation unit in Malaysia to capitalise on the lower manpower cost, enhance competitiveness and sustain the growth of the Group.

11. Dividend

If a decision regarding dividend has been made: -

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

Yes.

The following interim dividend was declared on 27 November 2020 for the six (6) months period ended 30 September 2020 and paid on 15 December 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 Directors are recommending a final dividend for FY2021 which will be subject to shareholders' approval at the forthcoming annual general meeting to be held in July 2021 ("**Annual General Meeting**").

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

If approved, the final dividend of 0.84 cents per ordinary share and the interim dividend of 0.84 cents per ordinary share (paid on 15 December 2020) would bring the total dividends for FY2021 to 1.68 cents per ordinary share.

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

Please refer to paragraph 11(a) above.

- (ii) Previous corresponding period (cents)

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

- (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.)

Please refer to paragraph 11(a) above.

- (d) The date the dividend is payable.

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

- (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.

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. 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 year 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⁾	123	-

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.

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	3,739.50 ⁽¹⁾	260.50
Working Capital	1,316.00	786.00 ⁽²⁾	530.00
Total	5,316.00	4,525.50	790.50

Notes:

- (1) Utilised for the following:-
 - (a) acquisition of Sen Med. - S\$1,732,500;
 - (b) acquisition of Ark - S\$600,000;
 - (c) acquisition of SKIC and Medinex Advisory – S\$1,200,000
 - (d) investment in JCPL – S\$25,000
 - (e) investment in HEPL – S\$182,000

- (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 Singapore Paincare Holdings Limited.

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
FY2021	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Revenue						
External revenue	3,474	2486	3,192	1,634	-	10,786
Profit from operations						
Share of results from joint ventures, net of tax	-	-	-	-	10	10
Interest income	2	-	2	-	70	74
Inventories and consumables used	20	-	2,410	418	-	2,848
Finance costs	34	4	7	26	1	72
Amortisation and depreciation expense	168	190	58	257	20	693
Employee benefits expense	750	203	563	826	1,945	4,287
Income tax expense	176	117	-	9	1	303
Reportable segment profit before income tax	2,397	1,945	(127)	239	(597)	3,857
						-
Net profit for the financial year after tax	2,221	1,828	(127)	230	(598)	3,554

(a) Business segments (cont'd)

Business segment	Medical support services	Business support services	Pharmaceutical services	Medical services	Unallocated Expenses	Consolidated
FY2021	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)
<u>Other information:</u>						
Additions to non-current assets						
-plant and equipment	6	18	3	4	49	80
-intangible assets	6	-	-	-	-	6
-right-of-use assets	43	-	43	17	66	169
Segment assets	5,873	5,392	1,524	2,897	7,745	23,431
Segment liabilities	3,469	615	704	1,017	699	6,504

Business segment (S\$'000)	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						
Share of results from joint Venture, net of tax	-	-	-	-	64	64
Interest income	7	4	7	-	35	53
Inventories and consumables used	-	-	3,959	962	-	4,921
Finance costs	23	8	11	40	-	82
Amortisation and depreciation expense	207	192	71	270	8	747
Employee benefits expense	1,036	1,406	702	977	991	5,111
Income tax expense	287	101	24	149	(8)	553
Reportable segment profit before income tax	3,204	1,337	194	1,237	(1,324)	4,648
Net profit for the financial year after tax	2,917	1,228	170	1,088	(1,309)	4,094

Business segment (\$'000)	Medical support services	Business support services	Pharmaceutical services	Medical services	Unallocated Expenses	Consolidated
FY2020	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<u>Other information:</u>						
Additions to non-current assets	12	5	2	4	21	44
-plant and equipment	-	2,201	-	1,266	-	3,468
-intangible assets	-	113	-	1,197	-	1,310
-right-of-use assets	-	-	-	-	139	140
Segment assets	4,902	5,646	1,817	3,471	3,485	19,321
Segment liabilities	1,146	895	686	1,503	481	4,711

(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:

	FY2021 S\$'000	FY2020 ⁽¹⁾ S\$'000	Increase/ (Decrease) (%)
(a) Sales reported for first half year	4,982	5,974	(16.61%)
(b) Operating profit after tax before deducting minority interest reported for first half year	1,413	1,448	(2.42%)
(c) Sales reported for second half year ⁽¹⁾	5,804	10,769	(46.11%)
(d) Operating profit/(loss) after tax before deducting minority interest reported for second half year ⁽¹⁾	2,141	2,646	(19.09%)

Note:-

- (1) Due to a change in financial year from 31 December to 31 March, the sales and operating profit reported for first half year of FY2020 comprises of the period from 1 January 2019 to 30 June 2019 and the sales and operating profit reported for the second half year of FY2020 comprises of the period from 1 July 2019 to 31 March 2020.

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:

	FY2021 S\$'000	FY2020 S\$'000
Ordinary shares (tax exempt 1-tier)		
- Interim	1,102	2,204
- Final (proposed)	1,102	-
Total Annual Dividend	2,204	2,204

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	60	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 of the Group	NIL
Low Mui Keow, Valerie (Lu Mei Jiao, Valerie)	49	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 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
28 May 2021

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

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

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.