

MEDINEX LIMITED
Incorporated in the Republic of Singapore
(Company Registration Number:
200900689W)

PROPOSED CHANGE OF AUDITORS FROM BDO LLP TO MAZARS LLP

1. Introduction

The board of directors (the “**Board**” or the “**Directors**”) of Medinex Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the Company’s intention to change its auditors (“**Auditors**”) from BDO LLP (“**BDO**”) to Mazars LLP (“**Mazars**”) (the “**Proposed Change of Auditors**”) for the current financial year ending 31 March 2023.

The Company will be seeking specific approval from the shareholders of the Company (“**Shareholders**”) for the Proposed Change of Auditors at an extraordinary general meeting to be convened (the “**EGM**”).

2. The Proposed Change of Auditors

BDO has served as Auditors of the Group since 2 October 2018 and has carried out 4 consecutive audits since the financial year ended 31 December 2018. At the last annual general meeting (“**AGM**”) of the Company held on 27 July 2022, Shareholders approved the re-appointment of BDO as the Auditors of the Company to hold office until the conclusion of the next AGM.

The Board is of the view that as part of good corporate governance initiatives and the Group’s ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, it would be an opportune time to review the appointment of the Auditors and benchmark its audit fees and realise cost efficiencies. A change of Auditors would also enable the Company to benefit from fresh perspectives and views of another professional audit firm and is also indicative of the Company’s effort to ensure that there would be no actual or perceived issues of independence of auditors for good corporate governance.

The Board, had reviewed various audit firms’ fee proposals and evaluated the experience of such firms. The Board, in consultation with the Company’s audit committee (the “**Audit Committee**”), is of the view that the quantum of the professional fees for the audit services proposed by Mazars is reasonable, competitive and cost-effective. Accordingly, the Proposed Change of Auditors is in the best interests of the Company and the Shareholders as the Company will be able to enjoy higher cost savings in the audit fees as compared to the audit fees proposed by BDO. The Board, in consultation with the Audit Committee, having taken into consideration the requirements set out under Rules 712 and 715 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), has determined that Mazars is best suited to meet the existing needs and audit requirements of the Group. There will be no change in the scope of the audit with the change in Auditors and the Company expects the standard and effectiveness of the audit to be undertaken by Mazars to be maintained.

The Board has taken into account the Audit Committee's recommendation, including the factors considered in their evaluation, such as the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("ACRA"), and various other factors, including but not limited to, the adequacy of resources and experience of Mazars and the audit engagement partner, the other engagements of Mazars, the size and complexity of the Group, and the number and experience of supervisory and professional staff to be assigned to the audit. The Board is satisfied that Mazars, which is approved under the Accountants Act 2004, and Mr Lok Yung Hui, the audit engagement partner who is a public accountant under the Accountants Act, are well suited to meet the existing needs and audit requirements of the Group. The Board has therefore accepted the Audit Committee's recommendation to appoint Mazars as Auditors in place of BDO, subject to the approval of the Shareholders at the EGM.

In connection with the above:

- (a) Mazars had, on 14 December 2022, given their written consent to act as Auditors of the Company and its Singapore-incorporated subsidiaries, subject to the approval of Shareholders at the EGM;
- (b) BDO had, on 6 December 2022, applied to ACRA to seek its consent to resign as Auditors of the Company and its Singapore-incorporated subsidiaries;
- (c) ACRA had, on 20 January 2023, consented to the resignation of BDO; and
- (d) BDO had, on 26 January 2023, provided its notice of resignation as Auditors with immediate effect.

Pursuant to Section 205AB(5) of the Companies Act 1967, the resignation of BDO took effect on 26 January 2023.

The Board would like to take this opportunity to express their appreciation for the past services rendered by BDO.

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (a) the outgoing Auditors, BDO, has confirmed that it is not aware of any professional reasons why the new Auditors, Mazars, should not accept appointment as Auditors of the Company;
- (b) the Company confirms that there were no disagreements with the outgoing Auditors, BDO, on accounting treatments within the last twelve (12) months;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders which has not been disclosed in this announcement;
- (d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in this announcement. The Proposed Change of Auditors is neither due to any disagreement with BDO nor the dismissal of BDO; and
- (e) the Company confirms that it is or will be in compliance with Rules 712 and 715 of the

Catalist Rules in relation to the appointment of Mazars as the Auditors of the Company.

3. Extraordinary General Meeting

The Company will make the necessary arrangements to convene the EGM to seek Shareholders' approval for the Proposed Change of Auditors. A circular to Shareholders containing, among others, further details on the Proposed Change of Auditors together with the notice of EGM, will be issued to Shareholders in due course.

BY ORDER OF THE BOARD

Jessie Low Mui Choo
Executive Director and Chief Executive Officer
26 January 2023

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 Catalist.

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

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