

## **Medinex Limited**

(Incorporated in the Republic of Singapore)

(Company Registration No. 200900689W)

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### **Unaudited Financial Statements and Dividend Announcement For the Six Months Ended 30 September 2020**

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#### **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.

For the purpose of this announcement, the financial results of the Group comprise the consolidated unaudited financial results of the Group for the half year period ended 30 September 2020 (“**HY2021**”) and the comparative unaudited financial results of the Group for the half year ended 30 September 2019 (“**HY2020**”).

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF 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		
	Half Year Ended		Change %
	30-Sept-20 (Unaudited) S\$'000	30-Sept-19 (Unaudited) S\$'000	
Revenue	4,982	7,130	(30.13)
<b>Other items of income</b>			
Other income	586	100	486
<b>Item of expenses</b>			
Changes in inventories	(167)	157	N.M.
Inventories and consumables used	(1,266)	(2,145)	(40.98)
Employee benefits expense	(1,818)	(2,105)	(13.63)
Amortisation and depreciation expenses	(351)	(292)	20.21
Loss allowance on receivables	(5)	*	N.M.
Other expenses	(389)	(767)	(49.28)
Finance costs	(26)	(47)	(44.68)
Share of results of joint venture, net of tax	52	(2)	N.M.
Profit before income tax	1,598	2,029	(21.24)
Income tax expenses	(185)	(325)	(43.08)
Profit for the financial period/year, representing total comprehensive income for the financial period /year	1,413	1,704	(17.08)
Profit and total comprehensive income attributable to:			
Owners of the Company	1,395	1,462	(4.58)
Non-controlling interests	18	242	(92.56)
	1,413	1,704	(17.08)

\* - less than S\$1,000

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**

	<b>Half Year Ended</b>	
	<b>30-Sept-20</b>	<b>30-Sept-19</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
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<b>Profit for the financial period/year</b>		
<b>is stated after charging the following:</b>		
Rental income	(18)	(10)
Government grant	(488)	(26)
Interest income	(57)	(15)
Other income - services	(30)	(39)
Loss allowance on receivables	5	*
Recovery of bad debts	(4)	(5)
Amortisation of intangible assets	49	29
Depreciation of plant and equipment	16	38
Depreciation of right-of-use assets	287	225
Cost of service	61	171
Platform fees	72	174
Professional fees	40	25
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**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	
	30-Sept-20 (Unaudited) S\$'000	31-Mar-20 (Audited) S\$'000	30-Sept-20 (Unaudited) S\$'000	31-Mar-20 (Audited) S\$'000
	<b>ASSETS</b>			
<b>Non-current assets</b>				
Plant and equipment	93	59	41	16
Right-of-use assets	1,628	1,915	-	-
Intangible assets	7,150	7,193	-	-
Investment in subsidiaries	-	-	11,173	10,923
Investment in joint ventures	202	140	116	92
Financial assets at FVTPL	2,046	886	2,052	885
Other receivables	574	534	574	534
	11,693	10,727	13,956	12,450
<b>Current assets</b>				
Inventories	669	836	-	-
Trade and other receivables	2,253	2,355	484	937
Contract assets	52	51	-	-
Prepayments	35	86	23	59
Fixed deposit	1,529	1,529	1,019	1,020
Cash and bank balances	3,670	3,736	366	621
	8,208	8,593	1,892	2,637
Total assets	19,901	19,320	15,848	15,087
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	14,163	14,163	14,163	14,163
Other reserve	(1,540)	(1,540)	408	408
Retained earnings	3,037	1,642	848	70
<b>Equity attributable to owners of the Company</b>	15,660	14,265	15,419	14,641
Non-controlling interests	362	344	-	-
<b>Total equity</b>	16,022	14,609	15,419	14,641

	Group		Company	
	30-Sept-20 (Unaudited)	31-Mar-20 (Audited)	30-Sept-20 (Unaudited)	30-Mar-20 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current liabilities</b>				
Deferred tax liabilities	51	59	-	-
Lease liabilities / Finance lease payables	1,160	1,376	-	-
Provisions	29	29	-	-
	1,240	1,464	-	-
<b>Current liabilities</b>				
Trade and other payables	1,313	1,706	419	436
Lease liabilities / Finance lease payables	488	539	-	-
Contract liabilities	288	388	-	-
Bank borrowing	10	10	10	10
Current income tax payables	540	604	-	-
	2,639	3,247	429	446
<b>Total liabilities</b>	3,879	4,711	429	446
<b>Total equity and liabilities</b>	19,901	19,320	15,848	15,087

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

**Amount repayable in one year or less, or on demand**

As at 30-Sept-20			As at 31-Mar-20		
Secured		Unsecured	Secured		Unsecured
S\$'000		S\$'000	S\$'000		S\$'000
43		10	47		10

**Amount repayable after one year**

As at 30-Sept-20			As at 31-Mar-20		
Secured		Unsecured	Secured		Unsecured
S\$'000		S\$'000	S\$'000		S\$'000
18		-	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**

	Half Year Ended	
	30-Sept-20 (Unaudited) S\$'000	30-Sept-19 (Unaudited) S\$'000
<b>Operating activities</b>		
Profit before income tax	1,598	2,029
Adjustments for:		
Amortisation of intangible assets	49	29
Loss allowance on receivables	5	*
Depreciation of plant and equipment	16	38
Depreciation of right-of-use assets	287	225
Recovery of bad debts	(4)	(5)
Share of results of joint venture, net of tax	(52)	2
Interest income	(57)	(15)
Interest expense	26	53
Operating cash flows before working capital changes	1,868	2,356
Working capital changes:		
Inventories	167	286
Trade and other receivables	60	342
Prepayments	51	42
Trade and other payables	(493)	741
Cash generated from operations	1,653	3,767
Income tax paid	(258)	(240)
Net cash from operating activities	1,395	3,527

	Half Year Ended	
	30-Sept-20 (Unaudited) S\$'000	30-Sept-19 (Unaudited) S\$'000
<b>Investing activities</b>		
Acquisition of subsidiaries, net of cash acquired	-	(1,523)
Interest income	18	15
Interest income from joint venture	55	-
Investment in joint venture	(25)	(3)
Loan to joint venture	-	(625)
Purchase of intangible assets	(6)	-
Investment in financial asset at FVTPL	(1,161)	(750)
Purchase of plant and equipment	(49)	(38)
Net cash used in investing activities	(1,168)	(2,924)
<b>Financing activities</b>		
Repayments of principal portion of lease liabilities/finance lease payables	(267)	(175)
Repayments of interest portion of lease liabilities/finance lease payables	(26)	(52)
Dividends paid to owners of the Company	-	(2,340)
Dividends paid to non-controlling interest	-	(450)
Net cash used in financing activities	(293)	(3,017)
Net change in cash and cash equivalents	(66)	(2,414)
Cash and cash equivalents at beginning of financial period	5,265	7,670
Cash and cash equivalents at end of financial period	5,199	5,256



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

**Consolidated Statement of Changes in Equity**

**Group**

	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
<b>(Unaudited)</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Balance at 1 April 2020	14,163	(1,540)	1,642	14,265	344	14,609
Profit for the financial period	-	-	1,395	1,395	18	1,413
<b>Total comprehensive income for the financial period</b>	-	-	1,395	1,395	-	1,413
Balance at 30 September 2020	14,163	(1,540)	3,037	15,660	362	16,022

## Consolidated Statement of Changes in Equity

### Group

	Share capital	Other reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
(Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2019	14,163	(1,948)	1,643	13,858	550	14,408
<b>Profit for the financial period</b>	-	-	1,462	1,462	242	1,704
<b>Total comprehensive income for the financial period</b>	-	-	1,462	1,462	242	1,704
<b>Contributions by and distribution to owners</b>						
Dividends	-	-	(2,339)	(2,339)	-	(2,339)
<b>Total transactions with owners</b>	-	-	(2,339)	(2,339)	-	(2,339)
<b>Transactions with non-controlling interest</b>						
Dividend paid to non-controlling interest in subsidiaries	-	-	-	-	(450)	(450)
<b>Total transactions with non-controlling interest</b>	-	-	-	-	(450)	(450)
Balance at 30 September 2019	14,163	(1,948)	766	12,981	342	13,323

## Statement of Changes in Equity

### Company

	Share capital S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance as 1 April 2020	14,163	408	70	14,641
<b>Profit for the financial period</b>	-	-	778	778
<b>Total comprehensive income for the financial period</b>	-	-	778	778
<b>Contributions by and distributions to owners</b>				
Share-based payments	-	-	-	-
Dividends	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-
Balance at 30 September 2020	14,163	408	848	15,419
Balance as 1 April 2019	14,163	-	1,489	15,652
<b>Profit for the financial period</b>	-	-	255	255
<b>Total comprehensive income for the financial period</b>	-	-	255	255
<b>Contributions by and distributions to owners</b>				
Share-based payments	-	-	(408)	(408)
Dividends	-	-	(1,796)	(1,796)
<b>Total transactions with owners</b>	-	-	(2,204)	(2,204)
Balance at 30 September 2019	14,163	-	(460)	13,703

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

There are no changes in the Company’s share capital since the end of the previous period reported on i.e. 31 March 2020. The total number of issued shares as at 30 September 2020 is 131,207,540 (31 March 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 under these schemes since its adoption.

The Company did not have any treasury shares and subsidiary holdings as at 30 September 2020 and 30 September 2019.

**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

	<b>As at 30 September 2020</b>	<b>As at 31 March 2020</b>
Total number of issued shares	131,207,540	131,207,540

The Company did not have any treasury shares as at 30 September 2020 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 period reported on.

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

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

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

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

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

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

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

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

Not applicable.

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

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).

Earnings per share ("EPS")	Group Half Year Ended	
	30-Sept-20 (Unaudited)	30-Sept-19 (Unaudited)
Profit attributable to owners of the Company (S\$)	1,395,000	1,462,000
Weighted average number of ordinary shares in issue	131,207,540	131,207,540
Basic and fully diluted EPS (S\$ cents) <sup>(1)</sup>	1.06	1.11

**Note:-**

- (1) The basic and fully dilutive EPS were the same as there are no dilutive ordinary shares in issue as at 30 September 2020 and 30 September 2019.

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	
	30-Sep-20 (Unaudited)	31-Mar-20 (Audited)	30-Sep-20 (Unaudited)	31-Mar-20 (Audited)
NAV (S\$) <sup>(1)</sup>	15,660,000	14,265,000	15,419,000	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)	11.94	10.87	11.75	11.16

**Note:-**

- (1) NAV attributable to owners of the Company.

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 HY2021 as compared to HY2020*

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Revenue

The Group recorded a decrease in revenue of approximately S\$2.15 million or approximately 30.13% for HY2021 as compared to HY2020. The decline in revenue for HY2021 was mainly caused by the COVID-19 pandemic, in particular during the period of the circuit breaker, where the revenue from the operations of the X-ray laboratories and clinic under Sen Med Holdings Pte. Ltd. ("**Sen Med**") had decreased and sales of pharmaceutical products from Nex Healthcare Pte. Ltd. ("**Nex Healthcare**") had slowed down since the start of the circuit breaker in early April 2020.

Other items of income

Other income, comprising mainly of fixed deposits interest, government grants, commission income and rental income, increased by approximately S\$0.49 million mainly due to an increase in government grants of approximately S\$0.46 million and interest income of approximately S\$0.04 million in HY2021.

Items of expenses

Changes in inventories and inventories and consumables used decreased by approximately S\$0.56 million or approximately 27.92% due to a decrease in the sales of pharmaceutical products.

Employee benefits expense decreased by S\$0.29 million, or approximately 13.63% due to streamlining of the headcounts in the Group to reduce overhead cost.

Amortisation and depreciation expenses increased by approximately S\$0.06 million or approximately 20.21% in HY2021 as compared to HY2020 mainly due to an increase in (a) depreciation recognised for right-of-use assets of approximately S\$0.06 million, and (b) amortisation of intangible assets of approximately S\$0.02 million, and slightly offset by a decrease in depreciation of plant and equipment of approximately S\$0.02 million.

Other expenses decreased by approximately S\$0.38 million or approximately 49.28% in HY2021, mainly due to decrease in (a) cost of service of approximately S\$0.11 million, (b)

platform fees of approximately S\$0.10 million, and (c) other miscellaneous expenses of approximately S\$0.17 million.

Finance cost decreased by approximately S\$0.02 million due to a decrease in interest payment of lease liabilities and finance lease liabilities.

Share of results of joint venture, net of tax increased by approximately \$0.05 million, due to the share of profit of investment in Zenmedic Capital Pte Ltd ("**Zenmedic**").

#### Profit before income tax

As a result of the abovementioned, profit before income tax decreased by approximately S\$0.43 million or approximately 21.24%.

#### Income tax expenses

Income tax expenses decreased by approximately S\$0.14 million or approximately 43.08% due to lower taxable profit recorded in HY2021 as compared to HY2020.

### **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

***The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 30 September 2020 and 31 March 2020.***

#### Non-current assets

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

The Group's plant and equipment increased by approximately S\$0.03 million mainly due to purchase of additional computer and office equipment as well as expenses incurred for office renovation in HY2021.

The Group's right-of-use assets decreased by approximately S\$0.29 million mainly due to depreciation of the right-of-use assets incurred for HY2021.

The Group's intangible assets decreased by approximately S\$0.04 million mainly due to amortization of intangible assets for HY2021, and slightly offset the purchase of additional software.

The Group's investment in joint venture increased by approximately S\$0.06 million due to the share of profit and fair value of investment in approximately 27.8% equity interest of Zenmedic and 25.0% equity interest in J-Connect Media Pte. Ltd..

Financial assets at FVTPL increased by approximately S\$1.16 million due to an increase in the Company's investment in quoted securities including, *inter alia*, the subscription of placement shares in connection with the proposed listing of Singapore Paincare Holdings



Limited (“**SPCH**”) as announced by the Company on 30 July 2020.

Other receivables increased by approximately S\$0.04 million due to the loan interest income for the investment in joint venture.

#### Current assets

Inventories decreased by approximately \$0.17 million which was in line with the decrease in the sales of pharmaceutical products.

Trade and other receivables decreased by approximately S\$0.10 million which was in line with the decrease in revenue for the HY2021 caused by the COVID-19 pandemic.

Prepayments decreased by approximately S\$0.05 million mainly due to the charged out of prepaid expenses in HY2021.

#### Non-current liabilities

The non-current lease liabilities decreased by approximately S\$0.21 million due to the lease payments made in HY2021.

#### Current liabilities

Trade and other payables decreased by approximately S\$0.39 million mainly due to (a) a decrease in employee benefits expenses of approximately S\$0.08 million, (b) decrease in amount payable to other creditors of approximately S\$0.14 million, and (c) decrease in other accruals of approximately S\$0.17 million.

Current lease liabilities decreased by approximately \$0.05 million due to lease payments made in HY2021.

Contract liabilities decreased by approximately S\$0.10 million mainly due to the decrease in advance payment received by customers of approximately S\$0.05 million and decrease in deferred income of approximately S\$0.05 million.

Current income tax payable decreased by approximately S\$0.06 million which was in line with the decrease in Group’s profit before income tax of approximately S\$0.43 million.

#### Equity

The increase in retained earnings as at 30 September 2020 as compared to 31 March 2020 was mainly due to the Group’s profit earned of approximately S\$1.41 million in HY2021.

## **CONSOLIDATED STATEMENT OF CASH FLOWS**

The Group recorded net cash generated from operating activities of approximately S\$1.40 million in HY2021, mainly due to operating cash flow before changes in working capital of approximately S\$1.87 million, and adjusted for net working capital outflow of approximately S\$0.21 million and income tax paid of approximately S\$0.26 million. Our net working capital outflow were mainly due to (a) a decrease in trade and other payables of approximately S\$0.49 million, and partially offset by (a) a decrease in trade and other receivables of approximately S\$0.06 million, (b) decrease in inventories of approximately S\$0.17 million and (c) decrease in prepayment of approximately S\$0.05 million.

Net cash used in investing activities of approximately S\$1.17 million in HY2021 was mainly due to (a) investment of financial asset at FVTPL of approximately S\$1.16 million which relates to the Company's investment in quoted securities, (b) investment in joint venture of approximately S\$0.03 million, and (c) purchase of plant and equipment and intangible assets of approximately S\$0.05 million and partially offset by an aggregate of the interest income and interest income from joint venture of approximately S\$0.07 million.

Net cash used in financing activities amounted to approximately S\$0.29 million, arising solely from the repayment of lease liabilities along with the accompanying interest.

Overall, the Group recorded a net decrease in cash and cash equivalents of approximately S\$0.07 million in HY2021, mainly due to investment in financial assets at FVTPL and payment of lease liabilities.

**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 COVID-19 pandemic has severely disrupted global economic activity, and led to both demand- and supply-side shocks to the Singapore economy. The impact of COVID-19 on the Singapore economy has been significant and has caused uphill challenges to business across different sectors including the healthcare industry.

The Group had experienced a decrease in revenue during the period of the circuit breaker from April 2020 to June 2020, but the business of the Group has progressively recovered following the easing of the circuit breaker measures. The Group's main area of focus remains in providing essential professional support services such as corporate secretarial services, accounting and tax agent services, and human resources management services. Nevertheless, the Group is facing cost pressure from the reduction in revenue in clients' businesses or the closure of

clients' businesses. To counteract the impact, the Group had implemented cost saving measures by (a) setting up an operation unit in Malaysia to capitalise on the lower manpower cost, and (b) streamlining the headcount between the business units.

Further, the Group has also (a) embarked in engaging virtually with clients through technology to provide higher level of service experience, (b) invested in an online marketing platform and technology, and (c) tapped on the government grants in marketing of new products.

The above approach has continued to complement the existing operations of the Group and support the expansion capability.

The Company will be moving towards the direction of providing higher value-added services such as business consultation and customised data analytical services as part of its long-term growth strategy.

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

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

0.84 cents per ordinary share.

- (ii) Previous corresponding period (cents)

0.84 cents per ordinary share for the six months period ended 30 June 2019 and the financial period ended 31 December 2019 respectively.

- (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).

- (d) The date the dividend is payable.

The dividend will be paid on 15 December 2020.

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

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed at 5.00pm on 27 November 2020 for the purpose of determining shareholders' entitlements to the interim dividend.

Duly completed transfers of shares received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, up to 5.00 p.m. on 27 November 2020 will be registered to determine shareholders' entitlements to the interim dividend.

**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.

There are no IPTs of S\$100,000 and above entered into in HY2021.

**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 Company's listing 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:

	<b>Amount allocated (S\$'000)</b>	<b>Amount utilised (S\$'000)</b>	<b>Balance (S\$'000)</b>
Expand our Group's business operations via acquisitions, joint ventures and/or strategic partnerships	4,000.00	3,532.50 <sup>(1)</sup>	467.50
Working Capital	1,316.00	786.00 <sup>(2)</sup>	530.00
<b>Total</b>	<b>5,316.00</b>	<b>4,318.50</b>	<b>997.50</b>

**Notes:**

- (1) Utilised for the following:-  
 (a) acquisition of Sen Med. - S\$1,732,500;  
 (b) acquisition of Ark Leadership & Learning Pte. Ltd. - S\$600,000; and  
 (c) acquisition of SKI Consultancy Pte. Ltd. and Medinex Advisory Pte. Ltd. (formerly known as SKI Corporate Services Pte. Ltd.) – S\$1,200,000; and
- (2) Utilised for the payment of listing expenses of S\$36,000 and the provision of the convertible loan amount of S\$750,000 to SPCH.

**15. 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.

**16. Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Listing Manual**

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the half year period ended 30 September 2020 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Jessie Low Mui Choo  
 Executive Director and Chief Executive Officer  
 12 November 2020

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

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

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

*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 048619, telephone (65) 6950 2188.*