

Medinex Limited

(Incorporated in the Republic of Singapore)
(Company Registration No. 200900689W)

**Unaudited Financial Statements and Dividend Announcement
For the Six Months Ended 30 June 2019**

Background

Medinex Limited (the “**Company**”) was incorporated in Singapore on 12 January 2009 under the Companies Act (Chapter 50) of Singapore as a private company limited by shares under the name “JK Bizcomp Pte. Ltd.” Subsequently, the Company changed its name to “JK Advisors Pte. Ltd.” and “JK Group Solutions Pte. Ltd.”. On 2 May 2017, the Company changed its name to “Medinex Pte. Ltd.”. On 9 November 2018, the Company was converted into a public company and renamed “Medinex Limited”. The Company and its subsidiaries (the “**Group**”) is a Singapore-based provider of medical support services, specialising in providing professional support services to medical clinics (“**Medical Support Services**”). The scope of Medical Support Services includes overseeing the setting up of clinics, facilitating applications for relevant clinic licences and providing business support services such as accounting and tax agent services, human resources management services and corporate secretarial services. The Group also focuses on providing pharmaceutical services to its clients. As an ancillary service, the Group also provides business support services to companies outside of the healthcare industry. Prior to the listing on the Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 7 December 2018, the Group undertook a restructuring exercise (the “**Restructuring Exercise**”). Please refer to the Company’s offer document dated 30 November 2018 (the “**Offer Document**”) for further details on the Restructuring Exercise. For the purpose of this announcement, the financial results of the Group comprise the consolidated unaudited financial results of the Group for the half year period ended 30 June 2019 (“**HY2019**”) and the comparative unaudited financial results of the Group for the half year period ended 30 June 2018 (“**HY2018**”).

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	Half Year Ended		
	30-Jun-2019 (Unaudited) S\$'000	30-Jun-2018 (Unaudited) S\$'000	Change %
Revenue	5,974	4,459	33.98%
Other items of income			
Other income	64	43	48.84%
Item of expenses			
Changes in inventories	22	63	N.M.
Inventories and consumables used	(1,812)	(1,707)	6.15%
Employee benefits expense	(1,824)	(1,208)	50.99%
Amortisation and depreciation expenses	(241)	(31)	677.42%
Other expenses	(572)	(440)	30.00%
Finance costs	(1)	(1)	N.M.
Share of results of joint venture, net of tax	(3)	-	N.M.
Profit before income tax	1,607	1,178	36.42%
Income tax expenses	(159)	(103)	54.37%
Profit for the financial year, representing total comprehensive income for the financial year	1,448	1,075	34.70%
Profit and total comprehensive income attributable to:			
Owners of the Company	1,289	1,057	21.95%
Non-controlling interests	159	18	783.33%
	1,448	1,075	34.70%

N.M. - not meaningful

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

	Half Year Ended	
	30-Jun-2019 (Unaudited) S\$'000	30-Jun-2018 (Unaudited) S\$'000
Profit for the financial year is stated after charging the following :		
Allowance for impairment loss on doubtful trade and other receivables	-	8
Amortisation of intangible assets	19	10
Depreciation of plant and equipment	29	21
Depreciation of right-of-use-assets	193	-
Initial public offering (“ IPO ”) expenses	-	111

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-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Plant and equipment	213	97	15	3
Right-of-use assets	1,859	-	-	-
Investment in subsidiaries	-	-	9,566	7,232
Investment in joint venture	630	-	630	-
Intangible assets	5,705	3,780	-	-
Financial asset at fair value through profit or loss	1	1	-	-
	8,408	3,878	10,211	7,235
Current assets				
Inventories	552	473	-	-
Trade and other receivables	1,616	1,253	725	2,170
Prepayments	48	94	36	82
Fixed deposit	1,750	4,150	1,000	3,000
Cash and bank balances	5,116	4,982	3,409	3,411
	9,082	10,952	5,170	8,663
Total assets	17,490	14,830	15,381	15,898
EQUITY AND LIABILITIES				
Equity				
Share capital	14,163	14,163	14,163	14,163
Capital reserve	(1,948)	(1,948)	-	-
Retained earnings	1,499	1,312	757	1,512
Equity attributable to owners of the Company				
	13,714	13,527	14,920	15,675
Non-controlling interests	17	-	-	-
Total equity	13,731	13,527	14,920	15,675
Non-current liabilities				
Deferred tax liabilities	21	24	-	-
Finance lease payables	55	4	-	-
Lease liabilities	1,254	-	-	-
Provisions	28	29	-	-
	1,358	57	-	-

	Group		Company	
	30-Jun-19 (Unaudited) S\$'000	31-Dec-18 (Audited) S\$'000	30-Jun-19 (Unaudited) S\$'000	31-Dec-18 (Audited) S\$'000
Current liabilities				
Trade and other payables	1,360	955	451	209
Finance lease payables	76	5	-	-
Lease liabilities	623	-	-	-
Current income tax payable	342	286	10	14
	2,401	1,246	461	223
Total liabilities	3,759	1,303	461	223
Total equity and liabilities	17,490	14,830	15,381	15,898

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-Jun-19 (Unaudited)			As at 31-Dec-18 (Audited)		
Secured		Unsecured	Secured		Unsecured
S\$'000		S\$'000	S\$'000		S\$'000
76		-	5		-

Amount repayable after one year

As at 30-Jun-19 (Unaudited)			As at 31-Dec-18 (Audited)		
Secured		Unsecured	Secured		Unsecured
S\$'000		S\$'000	S\$'000		S\$'000
55		-	4		-

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-Jun-19 (Unaudited) S\$'000	30-Jun-18 (Unaudited) S\$'000
Operating activities		
Profit before income tax	1,607	1,178
Adjustments for:		
Allowance for impairment loss on doubtful debts and other receivables	-	8
Amortisation of intangible assets	19	10
Depreciation of plant and equipment	29	21
Depreciation of right-of-use assets	193	-
Recovery of debt	(3)	-
Interest income	(11)	(11)
Interest expense	41	1
Share of result of joint venture, net of tax	3	-
Operating cash flows before working capital changes	1,878	1,207
Working capital changes:		
Inventories	(79)	(63)
Trade and other receivables	(231)	328
Prepayments	48	(3)
Trade and other payables	(195)	(241)
Cash generated from operations	1,421	1,228
Income tax paid	(131)	(27)
Net cash from operating activities	1,290	1,201
Investing activities		
Acquisition of subsidiaries, net of cash acquired	(1,134)	(370)
Acquisition of joint venture, net of cash acquired	(633)	-
Advance payments for investments	-	(1,079)
Interest received	11	11
Purchase of plant and equipment	(29)	(7)
Net cash used in investing activities	(1,785)	(1,445)

	Half Year Ended	
	30-Jun-19 (Unaudited) S\$'000	30-Jun-18 (Unaudited) S\$'000
Financing activities		
Advances from director of the Company	-	2
Dividends paid to owners of the Company	(1,102)	-
Dividends paid to non-controlling interests	(450)	-
Repayment of lease liabilities	(174)	-
Repayment to director	-	(26)
Repayment of finance lease payables	(4)	(14)
Interest paid	(41)	(1)
Net cash used in financing activities	<u>(1,771)</u>	<u>(39)</u>
Net change in cash and cash equivalents	(2,266)	(283)
Cash and cash equivalents at beginning of financial year	<u>9,132</u>	<u>3,067</u>
Cash and cash equivalents at end of financial year	<u>6,866</u>	<u>2,784</u>

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

Consolidated Statement of Changes in Equity

Group

	Share capital	Capital reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
(Unaudited)	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 year	-	-	1,289	1,289	159	1,448
Total comprehensive income for the financial year	-	-	1,289	1,289	159	1,448
Contributions by and distribution to owners						
Dividends	-	-	(1,102)	(1,102)	-	(1,102)
Total transactions with owners	-	-	(1,102)	(1,102)	-	(1,102)
Transactions with non-controlling interest						
Acquisition of subsidiaries	-	-	-	-	308	308
Dividends	-	-	-	-	(450)	(450)
Total transactions with non-controlling interest	-	-	-	-	(142)	(142)
Balance at 30 June 2019	14,163	(1,948)	1,499	13,714	17	13,731

	Share capital	Capital reserve	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 January 2018	5,627	-	496	6,123	-	6,123
Profit for the financial year	-	-	1,057	1,057	18	1,075
Total comprehensive income for the financial year	-	-	1,057	1,057	18	1,075
Transactions with non-controlling interest						
Acquisition of subsidiary	-	-	-	-	24	24
Total transactions with non-controlling interest	-	-	-	-	24	24
Balance at 30 June 2018	5,627	-	1,553	7,180	42	7,222

Statement of Changes in Equity

Company

(Unaudited)	Share capital S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance as 1 January 2019	14,163	1,512	15,675
Profit for the financial year	-	347	347
Total comprehensive income for the financial year	-	347	347
Contributions by and distributions to owners			
Dividends	-	(1,102)	(1,102)
Total transactions with owners	-	(1,102)	(1,102)
Balance at 30 June 2019	14,163	757	14,920
Balance as 1 January 2018	5,627	387	6,014
Loss for the financial year	-	(18)	(18)
Total comprehensive income for the financial year	-	(18)	(18)
Balance at 30 June 2018	5,627	369	5,996

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

There are no changes in the Company’s share capital since the end of the previous period reported on i.e. 31 December 2018. The total number of issued shares as at 30 June 2019 is 131,207,540 (31 December 2018: 131,207,540).

The Company had on 9 November 2018 adopted the Medinex Performance Share Plan and the Medinex Share Option Scheme. No awards or options had been granted for the financial period reported on.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2018.

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

	As at 30 June 2019	As at 31 December 2018
Total number of issued shares	131,207,540	131,207,540

The Company did not have any treasury shares as at 30 June 2019 and 31 December 2018.

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

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

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

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

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

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

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

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

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

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases on 1 January 2019, using the modified retrospective approach. It requires a lessee to recognise a right-of-use asset representing its right-of-use over the underlying asset and a lease liability representing its obligation to make lease payments. The Group has not restated comparatives for the previous corresponding period as permitted under SFRS(I) 16.

Leases are recognised as right-of-use assets and the obligation to make lease payments are recorded as lease liabilities which were measured as the present value of the remaining lease payments on 1 January 2019.

Each lease payment is allocated between the lease liability and finance cost. The latter is charged to profit or loss. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line-basis.

The effect of the adoption of SFRS(I) 16 on the Group's financial statements has been explained in paragraph 8.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per share ("EPS")	Group Half Year Ended	
	30-Jun-19 (Unaudited)	30-Jun-18 (Unaudited)
Profit attributable to owners of the Company (S\$)	1,289,000	1,057,000
Weighted average number of ordinary shares in issue	131,207,540	95,253,600 ⁽¹⁾
Basic and fully diluted EPS (S\$ cents) ⁽²⁾	0.98	1.11

Notes:-

- (1) For comparative and illustrative purposes, the weighted average number of ordinary shares in issue for the financial year ended 30 June 2018 was computed based on 95,253,600 shares (post sub-division of each existing share on 31 December 2017 (31 December 2017: 17,040) into 5,590 shares).
- (2) The basic and fully dilutive earnings per share were the same as there are no dilutive ordinary shares in issue as at 30 June 2019 and 30 June 2018.

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-Jun-19 (Unaudited)	31-Dec-18 (Audited)	30-Jun-19 (Unaudited)	31-Dec-18 (Audited)
NAV (S\$)	13,714,000	13,527,000	14,920,000	15,675,000
Number of ordinary shares in issue	131,207,540	131,207,540	131,207,540	131,207,540
NAV per ordinary share (S\$ cents)	10.45	10.31	11.37	11.95

Note:-

- (1) The net asset value per ordinary share of the Group and the Company as at 30 June 2019 and 31 December 2018 are calculated based on the total number of issued ordinary shares of 131,207,540.

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 period reported on**

Review for the performance of the Group for HY2019 as compared to HY2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

The Group recorded an increase in revenue of approximately S\$1.52 million or approximately 33.98% for HY2019 as compared to HY2018.

The growth in HY2019 arose from the full revenue contribution from the Group's subsidiaries, Patceljon Professional Services Pte Ltd ("**Patceljon**") and Jo-L Consultus Pte. Ltd. ("**Jo-L**") which were acquired in HY2018, and revenue contribution from the acquisition of the Group's new subsidiaries, Sen Med Holdings Pte. Ltd. ("**Sen Med**") and Ark Leadership & Learning Pte. Ltd. ("**Ark**") in HY2019.

Other items of income

Other income comprising mainly of fixed deposits interest, government grants, recovery of bad debt and rental income, increased by approximately S\$0.02 million in HY2019.

Items of expenses

Inventories and consumables used increased by approximately S\$0.11 million or approximately 6.15% due to the acquisition of Sen Med in March 2019.

Employee benefits expenses increased by approximately S\$0.62 million, or approximately 50.99% in HY2019 due to additional headcounts from the acquisitions of Patceljon, Jo-L, Sen Med and Ark.

Amortisation and depreciation expenses increased by approximately S\$0.21 million or approximately 677.42% in HY2019 as compared to HY2018 due mainly to depreciation recognised for right-of-use assets arising from the adoption of SFRS(I) 16 effective from 1 January 2019 of approximately S\$0.19 million and an increase in amortisation of intangible assets of approximately S\$0.02 million in line with the increase in intangible assets following the acquisitions of Sen Med and Ark in HY2019.

Other expenses increased by approximately S\$0.13 million or approximately 30.00% in HY2019, mainly due to the higher operating expenses of approximately S\$0.06 million as a result of an increase in the number of subsidiaries of the Group which were acquired in HY2019, and an increase in professional fees of S\$0.07 million.

Share of results of joint venture is due to the investment in approximately 27.8% of the issued share capital of Zenmedic Capital Pte. Ltd. ("**Zenmedic**") which was announced by the Company in May 2019. There is no revenue earned by the company and the expenses incurred were mainly professional fees and secretarial fees.

Profit before income tax

As a result of the abovementioned, profit before income tax increased by approximately S\$0.43 million or approximately 36.42%.

Income tax expense

Income tax expense increased by approximately S\$0.06 million or approximately 54.37% due to higher taxable profits recorded in HY2019 compared to HY2018, as a result of the increased number of subsidiaries of the Group which were acquired in HY2019.

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 June 2019 and 31 December 2018.

Non-current assets

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

The Group's intangible assets (which relates to goodwill and customer relationships) increased by approximately S\$1.93 million due to the acquisitions of Sen Med and Ark in HY2019. The acquisition accounting for Sen Med and Ark are provisional and will be finalised subsequently. Provisional goodwill arising from the acquisitions and relating carrying amounts of assets and liabilities will be adjusted accordingly on a retrospective basis when the valuation is finalised.

The Group's right-of-use assets increased by approximately S\$1.86 million arising from the adoption of SFRS(I) 16 effective from 1 January 2019 for the lease of premises and corporate office.

The Group's plant and equipment increased by S\$0.12 million mainly due to the acquisition of Sen Med in HY2019.

The Group's investment in joint venture increased by approximately S\$0.63 million due to the investment in approximately 27.8% of the issued share capital of Zenmedic.

Current assets

Inventories increased by approximately S\$0.08 million to cater for higher demand from customers.

Trade and other receivables increased by approximately S\$0.36 million due to increase in receivables outstanding from clients which was in line with the increase in the total revenue of the Group, arising from the revenue contribution from the acquisitions of Patceljon and Jo-L in HY2018, and Sen Med and Ark in HY2019.

Prepayments decreased by approximately S\$0.05 million due to reversal of prepayment of sponsorship fee, SGX retainer fee, membership fee and insurance which were recognised in HY2019.

Cash and cash equivalents increased by approximately S\$0.13 million due to receipt from cash at bank balance from the new subsidiaries of approximately S\$1.20 million and cash generated from operations of approximately S\$1.29 million. The increase was offset by payment of dividend of approximately S\$1.55 million to shareholders of the Company and non-controlling interest of Sen Med, investment in the joint venture, Zenmedic of approximately S\$0.63 million and purchase of plant and equipment and other expenses of approximately S\$0.18 million.

Fixed deposit decreased by approximately S\$2.40 million mainly due to withdrawal of fixed deposits of S\$3.00 million for the acquisitions of Sen Med and Ark in HY2019. In addition, there is also a decrease in fixed deposit placement for our subsidiary, Nex Healthcare Pte. Ltd. of S\$0.40 million. The decrease was offset with new placement of fixed deposit of S\$1.00 million in HY2019.

Non-current liabilities

The Group recorded non-current lease liabilities of approximately S\$1.25 million as at 30 June 2019 due to the adoption of SFRS(I) 16 which came into effect on 1 January 2019.

The Group recorded an increase in non-current finance lease payables of approximately S\$0.05 million due to the hire purchase arrangement in respect of Sen Med's medical equipment, which was consolidated into the Group following the acquisition of Sen Med in HY2019.

Current liabilities

Trade and other payables increased by approximately S\$0.40 million mainly due to increased payables arising from the acquisitions of Sen Med and Ark in HY2019 of approximately S\$0.34 million, valuation fee payable for Ark of approximately S\$0.02 million, and accrual of director fees of approximately S\$0.04 million in HY2019.

The Group recorded lease liabilities of approximately S\$0.62 million as at 30 June 2019 due to the adoption of SFRS(I) 16, which was effective from 1 January 2019.

The Group recorded an increase in finance lease payables of approximately S\$0.07 million due to the hire purchase arrangements in respect of Sen Med's medical equipment, which was consolidated into the Group following the acquisition of Sen Med in HY2019.

Equity

The increase in retained earnings as at 30 June 2019 as compared to 31 December 2018 is mainly due to profit earned from the acquisition of new subsidiaries, Sen Med and Ark, in HY2019.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Group recorded net cash generated from operating activities of approximately S\$1.29 million in HY2019, mainly due to operating cash flow before changes in working capital of approximately S\$1.88 million, offset by the increase in trade and other receivables of approximately S\$0.23 million, increase in trade and other payables of approximately S\$0.20 million, increase in inventories of approximately S\$0.08 million, decrease in prepayment of approximately S\$0.05 million and reduced by income tax paid of approximately S\$0.13 million.

Net cash used in investing activities of approximately S\$1.78 million in HY2019 was mainly due to acquisition of subsidiaries, Sen Med and Ark, investment in joint venture, Zenmedic.

Net cash used in financing activities amounted to S\$1.77 million, arising mainly from the dividend payout to shareholders of the Company and non-controlling interests of Sen Med in May 2019 of approximately S\$1.55 million, and repayment of lease liabilities and interest paid of, in aggregate, approximately S\$0.22 million.

Overall, the Group recorded a net decrease in cash and cash equivalents of approximately S\$2.27 million in HY2019 as compared to HY2018, mainly due to the acquisitions of new subsidiaries, investment in joint venture and purchase of plant and equipment.

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

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

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Due to the general slow momentum of the economy in Singapore and the region, the Group remains cautious about the operating environment of the healthcare industry. However, the Group remains optimistic about the demand for its services.

The Group has, to date, expanded its range of medical support services and human resource management services and expanded its network of non-healthcare clients via the acquisitions of Sen Med, Ark, SKI Consultancy Pte. Ltd. and SKI Corporate Services Pte. Ltd. in order to deliver on its long-term growth strategy.

The Group will continuously explore business development opportunities with prudence and consider expansion opportunities which will complement our existing operations and in line with our strategic long-term objectives.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended/declared for the current financial period reported on?

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) Corresponding period to immediately preceding financial year

No dividend has been declared or recommended for HY2018.

(c) The date the dividend is payable

The dividend will be paid on 13 September 2019.

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

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed at 5.00pm on 22 August 2019 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 22 August 2019 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.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) (S\$’000)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (S\$’000)
Low Mui Keow, Valerie (Lu Mei Jiao, Valerie)	1,008 ⁽¹⁾	-
HC Surgical Specialists Limited Shinex Capital Pte. Ltd.	626 ⁽²⁾	-

Notes:-

- (1) The purchase consideration for the acquisition of 100% equity interest in Ark from Low Mui Keow, Valerie (sister of Jessie Low Mui Choo, the Executive Director and Chief Executive Officer of the Company), of which S\$600,000 of the purchase consideration has been paid to Low Mui Keow, Valerie. Please refer to the circular dated 15 April 2019 and the announcements made by the Company on 26 March 2019, 24 April 2019, 30 April 2019 and 6 May 2019 for more details.
- (2) The aggregate value of the Company’s equity participation and shareholder’s loan to the joint venture entity, Zenmedic, as announced by the Company on 2 May 2019 and 9 May 2019. The joint venture was entered into with, among others, the Company’s controlling shareholders, HC Surgical Specialists Limited and Shinex Capital Pte. Ltd. Please refer to the announcements for more details.

14. Use of IPO proceeds

The Company refers to the net cash proceeds amounting to S\$5.28 million (excluding cash listing expenses of approximately S\$1.22 million) raised from the IPO on the Catalist Board of SGX-ST on 7 December 2018.

As 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	3,532.50 ⁽¹⁾	467.50
Working Capital	1,316.00	786.00 ⁽²⁾	530.00
Total	5,316.00	4,318.50	997.50

Notes:

- (1) Utilised for the following:-
(a) acquisition of Sen Med. - S\$1,732,500;
(b) acquisition of Ark - S\$600,000; and
(c) acquisition of SKI Consultancy Pte. Ltd. and SKI Corporate Services Pte. Ltd. – S\$1,200,000 (including S\$120,000 earmarked for the remaining purchase consideration for the acquisition of SKI Consultancy Pte. Ltd. and SKI Corporate Services Pte. Ltd., which has not been disbursed by the Company as at the date of this announcement);
- (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 Pte. Ltd.

The use of the IPO proceeds is in accordance with the intended use as stated in the Company's Offer Document dated 30 November 2018.

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 June 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Jessie Low Mui Choo
Executive Director and Chief Executive Officer
14 August 2019

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

This announcement has been prepared by the Company and 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.