



MEDINEX LIMITED

(Company Registration No.: 200900689W)
(Incorporated in Singapore on 12 January 2009)

Placement of 30,000,000 Placement Shares comprising 26,000,000 New Shares and 4,000,000 Vendor Shares at S\$0.25 for each Placement Share, payable in full on application

OFFER DOCUMENT DATED 30 NOVEMBER 2018

(Registered by the Singapore Exchange Securities Trading Limited (the "SGX-ST"), acting as agent on behalf of the Monetary Authority of Singapore (the "Authority"), on 30 November 2018)

This offer is made in or accompanied by an offer document (the "Offer Document") that has been registered by the SGX-ST, acting as agent on behalf of the Authority, on 30 November 2018. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST'S listing rules, have been complied with.

This document is important. Before making any investment in the securities being offered, you should consider the information provided in this document carefully, and consider whether you understand what is described in this document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.

Novus Corporate Finance Pte. Ltd. (the "Sponsor") has made an application to the SGX-ST for permission to deal in, and for the listing and quotation of, all the ordinary shares (the "Shares") in the capital of Medinex Limited (the "Company") that are already issued (including the Vendor Shares (as defined herein)), the New Shares (as defined herein) (the Vendor Shares together with the New Shares collectively known as the "Placement Shares", which are the subject of this Placement (as defined herein)), the NCF Shares (as defined herein) and the new Shares which may be issued under the Medinex Performance Share Plan (the "Performance Shares") and upon the exercise of the options to be granted under the Medinex Employee Share Option Scheme (the "Option Shares") on Catalyst (as defined herein). Acceptance of applications will be conditional upon, *inter alia*, issue of the New Shares and the listing and quotation of all our existing issued Shares, the New Shares, the NCF Shares, the Performance Shares and the Option Shares on Catalyst. Monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed. The dealing in and quotation of the Shares will be in Singapore dollars.

Companies listed on Catalyst may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalyst without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalyst. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalyst but relies on the Sponsor confirming that the Company is suitable to be listed and complies with the Catalyst Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of the Shares or units of Shares being offered for investment.

We have not lodged or registered this Offer Document in any other jurisdiction.

Investing in our Shares involves risks which are described in the section entitled "RISK FACTORS" of this Offer Document.

After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document; and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

Sponsor and Issue Manager



NOVUS CORPORATE FINANCE PTE. LTD.

(Company Registration No.: 201723484W)
(Incorporated in the Republic of Singapore)

Placement Agent



UOB KAY HIAN PRIVATE LIMITED

(Company Registration No.: 197000447W)
(Incorporated in the Republic of Singapore)



ABOUT MEDINEX

Medinex Limited (“**Medinex**” or the “**Company**”, and together with our subsidiaries, the “**Group**”) is a Singapore-based medical support services provider, specialising in providing professional support services to medical clinics. Our 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 resource

management services and corporate secretarial services. We also focus on providing pharmaceutical services to our clients, assisting them in procuring medical and pharmaceutical products.

As an ancillary service, we provide business support services such as accounting and tax agent services, and corporate services to companies outside of the healthcare industry.

Medinex has been accredited as an Accredited Training Organisation (ATO) for the attainment of the Chartered Accountant (Singapore) designation.

OUR SERVICES

MEDICAL SUPPORT SERVICES

- Provide customised and value-added support services to clients in primary and secondary healthcare sectors comprising general practitioners and specialists
- Provide turnkey solutions as well as detailed and strategic advice to general practitioners and specialists on establishing clinic facilities

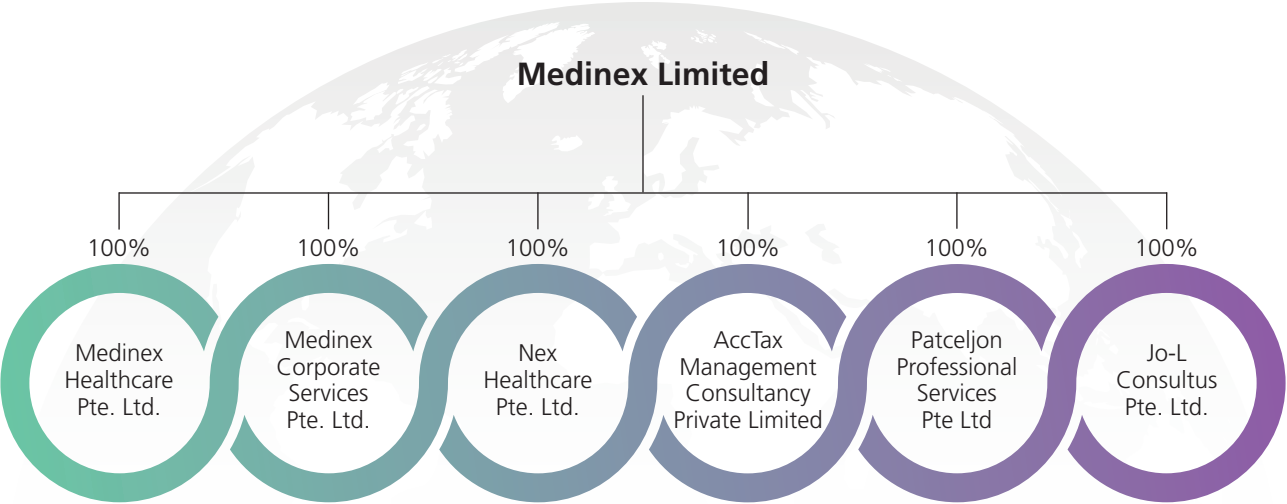
PHARMACEUTICAL SERVICES

- Procure medical and pharmaceutical products for customers in Singapore
- Such medical and pharmaceutical products are obtained from authorised distributors in Singapore

BUSINESS SUPPORT SERVICES

- Provide a spectrum of business support services to assist clients to benefit from operational and cost efficiencies generated from economies of scale
- Serve clients over a variety of industries, including but not limited to food and beverage, retail, education and beauty

OUR GROUP STRUCTURE





COMPETITIVE **STRENGTHS**

WE ARE A COMPREHENSIVE INTEGRATED MEDICAL SUPPORT SERVICES PROVIDER

- We place great emphasis on understanding first the needs and requirements of our customers and providing them with customised solutions, and supporting them through the entire business and operations process.
- Able to provide turnkey Medical Support Services to address customers’ business needs effectively and holistically.
- Complemented by our Pharmaceutical Services and Business Support Services, our full spectrum of support services sets us apart from our competitors, and enables us to expand our customer base and secure continuing business from customers.

WE HAVE A STRONG AND EXPERIENCED MANAGEMENT TEAM

- Our management team possess deep industry knowledge and know-how, with each member having more than 20 years of experience in their areas of expertise.

WE MAINTAIN LONG-STANDING AND ESTABLISHED RELATIONSHIPS WITH CUSTOMERS

- More than 39% of our customers have been engaging our Group’s services for more than five (5) years and more than 18% of our customers have been engaging our Group’s services for more than 10 years.
- Our strong and long-standing relationships with our customers, together with our proven track record and high customer satisfaction levels, place us in a favourable position to maintain our existing relationships with these customers and obtain new customers through referrals from satisfied customers.

WE HAVE CULTIVATED AN EXTENSIVE NETWORK OF RELATIONSHIPS AND ARE FAMILIAR WITH THE BUSINESS AND REGULATORY LANDSCAPE AND REQUIREMENTS OF THE HEALTHCARE INDUSTRY

- Being in the healthcare industry for almost a decade, we have cultivated an extensive network of relationships with various parties in the healthcare industry, and have a strong understanding of the functions and operations of the local authorities and governmental agencies, in particular licensing and filing requirements in relation to our Medical Support Services.
- Able to leverage on network of contacts and familiarity with the business and regulatory landscape in Singapore to support our Medical Support Services business.

BUSINESS STRATEGIES **AND FUTURE PLANS**

REALISE SYNERGIES AMONG OUR SUBSIDIARIES

- Integrating various services allows us to realise synergies and benefit from the current and expanding customer base of our subsidiaries and serve our customers as a one-stop value-added service provider.

EXPAND OUR MARKETING AND BUSINESS DEVELOPMENT TEAM

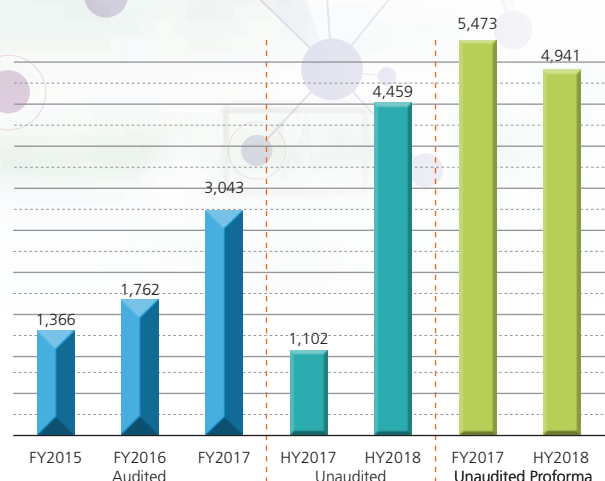
- Through hiring of additional marketing personnel or acquiring marketing companies.
- Intend to bolster our marketing and business development activities and capabilities to reach out to a wider and larger customer base, as well as to support our clients in their marketing and business development activities.

EXPAND OUR GROUP’S BUSINESS OPERATIONS VIA ACQUISITIONS, JOINT VENTURES AND/OR STRATEGIC PARTNERSHIPS

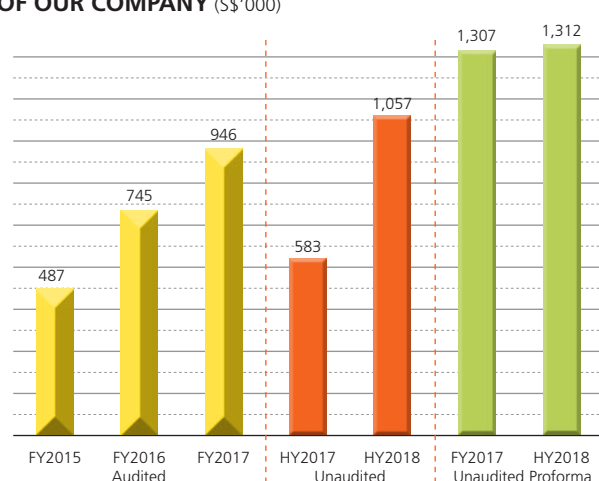
- May expand our business operations, whether in Singapore or overseas, through acquisitions, joint ventures and/or strategic alliances that will complement our current and future businesses and be aligned with our longer-term interests.
- Strengthen our competitive advantage by giving us access to new markets, customers and businesses.
- May acquire Ark Leadership & Learning Pte. Ltd., a company which currently provides human resources consulting services to our Group.

FINANCIAL HIGHLIGHTS⁽¹⁾

REVENUE (\$'000)



PROFIT ATTRIBUTABLE TO OWNERS OF OUR COMPANY (\$'000)



Note:

(1) Please refer to Appendices A, B and C for further details



PROSPECTS

INCREASING DEMAND FOR MEDICAL SERVICES RESULTING FROM RAPIDLY AGEING POPULATION AND INCREASING AFFLUENCE

- The number of Singapore citizens aged 65 and above is estimated to reach 900,000 by 2030⁽¹⁾. With a shift in demographic profile and accordingly, the nature of healthcare needs, we believe there will be a corresponding increase in the number of registered medical practitioners, both specialists and general practitioners, to fulfil such demand, which may present opportunities for our Group.
- With steadily rising income levels⁽²⁾, private healthcare services will become increasingly affordable vis-à-vis household income. This may translate into higher demand for high quality and holistic medical services and accordingly, may lead to an increase in the number of practising medical professionals who may in turn seek our Group's Medical Support Services and Pharmaceutical Services.

INCREASING AWARENESS OF DATA PRIVACY PROTECTION

- Our suite of Medical Support Services and Business Support Services, which include, among others, implementation of appropriate information technology applications and training and development of professionals and staff to handle patient and client information, will be crucial for our customers.

SOURCES:

- From the report "A Sustainable Population for a Dynamic Singapore – Population White Paper" published in January 2013 and provided on the Ministry of Trade and Industry website <https://www.mti.gov.sg>
- Annual gross national income per capita at current market prices increased from approximately S\$53,666 in 2008 to S\$76,863 in 2017. Information provided on the Department of Statistics Singapore website <https://www.singstat.gov.sg>

INDICATIVE TIMETABLE

INDICATIVE DATE/TIME	EVENT
30 November 2018 (immediately upon registration of this Offer Document)	Open of the Placement
5 December 2018 at 12.00 noon	Close of Application List
7 December 2018 at 9.00 a.m.	Commence trading on a "ready" basis

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Tan Lee Meng (Non-executive Chairman) Jessie Low Mui Choo (Executive Director and Chief Executive Officer) Lim Tai Toon (Lead Independent Non-executive Director) Wee Yiap Fook San (Independent Non-executive Director)
JOINT COMPANY SECRETARIES	:	Chai Yee Hoi (a member of the Institute of Singapore Chartered Accountants) Lin Moi Heyang (ACIS, ACS)
REGISTERED OFFICE	:	111 North Bridge Road #23-04 Peninsula Plaza Singapore 179098
SPONSOR AND ISSUE MANAGER	:	Novus Corporate Finance Pte. Ltd. 9 Raffles Place #17-05 Republic Plaza Tower 1 Singapore 048619
PLACEMENT AGENT	:	UOB Kay Hian Private Limited 8 Anthony Road #01-01 Singapore 229957
SOLICITORS TO THE PLACEMENT AND LEGAL ADVISER TO OUR COMPANY ON SINGAPORE LAW	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS	:	BDO LLP 600 North Bridge Road #23-01 Parkview Square Singapore 188778 Partner-in-charge: Leong Hon Mun Peter (a member of the Institute of Singapore Chartered Accountants)
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
RECEIVING BANKER	:	Oversea-Chinese Banking Corporation Limited 63 Chulia Street #10-00 OCBC Centre East Singapore 049514
VENDOR	:	HC Surgical Specialists Limited 80 Robinson Road #02-00 Singapore 068898

DEFINITIONS

In this Offer Document and the accompanying Application Forms, unless the context otherwise requires, the following definitions apply throughout:

Companies within our Group

<i>“AccTax”</i>	:	AccTax Management Consultancy Private Limited
<i>“Company”</i>	:	Medinex Limited
<i>“Group”</i>	:	Our Company and our subsidiaries
<i>“Group Company”</i>	:	Any of our Company or any of our subsidiaries
<i>“Jo-L”</i>	:	Jo-L Consultus Pte. Ltd.
<i>“MCS”</i>	:	Medinex Corporate Services Pte. Ltd. (formerly known as Ark Corporate Solutions Pte. Ltd.)
<i>“Medinex Healthcare”</i>	:	Medinex Healthcare Pte. Ltd. (formerly known as JK Bizline Pte. Ltd.)
<i>“Nex”</i>	:	Nex Healthcare Pte. Ltd.
<i>“Patceljon”</i>	:	Patceljon Professional Services Pte Ltd

Other Companies, Organisations and Agencies

<i>“ACRA”</i>	:	Accounting and Corporate Regulatory Authority
<i>“Ark Leadership”</i>	:	Ark Leadership & Learning Pte. Ltd.
<i>“Authority”</i>	:	Monetary Authority of Singapore
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CPF”</i>	:	The Central Provident Fund
<i>“HCSS” or “Vendor”</i>	:	HC Surgical Specialists Limited
<i>“HSN Healthcare”</i>	:	HSN Healthcare Pte. Ltd.
<i>“IRAS”</i>	:	Inland Revenue Authority of Singapore
<i>“Issue Manager”, “NCF” or “Sponsor”</i>	:	Novus Corporate Finance Pte. Ltd.
<i>“JILB International”</i>	:	JILB International Pte. Ltd.

DEFINITIONS

<i>“JK Bizsec”</i>	:	JK Bizsec Pte. Ltd.
<i>“Northeast Health”</i>	:	Northeast Health International Pte. Ltd.
<i>“Placement Agent” or “UOBKH”</i>	:	UOB Kay Hian Private Limited
<i>“SGX-ST” or “Exchange”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Registrar”</i>	:	Boardroom Corporate & Advisory Services Pte. Ltd.
<i>“Shine Medi-Capital”</i>	:	Shine Medi-Capital Pte. Ltd.
<i>“Shinex Capital”</i>	:	Shinex Capital Pte. Ltd.
General		
<i>“AccTax Guaranteed Profit”</i>	:	The profit guarantee granted to our Company by Chai Yee Hoi whereby the net profit after tax of AccTax for the three (3)-year period commencing from 5 January 2018 to 4 January 2021 shall not be less than S\$0.45 million
<i>“AccTax SPA”</i>	:	The sale and purchase agreement dated 5 January 2018 entered into among our Company, John Tan, Koo Poh Heng Andre and Chai Yee Hoi, pursuant to which our Company acquired 50% of the issued and paid-up share capital of AccTax from Chai Yee Hoi
<i>“ACRA (Filing Agent) Regulations”</i>	:	Accounting and Corporate Regulatory Authority (Filing Agents and Qualified Individuals) Regulations 2015 of Singapore, as amended, supplemented or modified from time to time
<i>“ACRA Act”</i>	:	Accounting and Corporate Regulatory Authority Act (Chapter 2A) of Singapore, as amended, supplemented or modified from time to time
<i>“Agreed Proportion”</i>	:	The proportion in which the Placement Shares are offered by each of our Company and the Vendor
<i>“Application Forms”</i>	:	The printed application forms to be used for the Placement Shares and which form part of this Offer Document
<i>“Application List”</i>	:	The list of applications for the subscription for and/or purchase of the Placement Shares

DEFINITIONS

“Ark Leadership ROFR Agreement” : The right of first refusal agreement entered into between Valerie Low and our Company on 12 November 2018 pursuant to which our Company obtained a right of first refusal in respect of the shares of Ark Leadership

“Associate” : As defined in the Securities and Futures Regulations:

(a) in relation to an entity, means:

(i) in a case where the entity is a substantial shareholder, controlling shareholder, substantial interest-holder or controlling interest-holder, its related corporation, related entity, associated company or associated entity; or

(ii) in any other case:

(1) a director or an equivalent person;

(2) where the entity is a corporation, a controlling shareholder;

(3) where the entity is not a corporation, a controlling interest-holder;

(4) a subsidiary, a subsidiary entity, an associated company, or an associated entity; or

(5) a subsidiary, a subsidiary entity, an associated company, or an associated entity, of the controlling shareholder or controlling interest-holder, as the case may be,

of the entity; and

(b) in relation to an individual, means:

(i) his immediate family;

(ii) the trustees of any trust of which he or any member of the individual's immediate family is:

(1) a beneficiary; or

(2) where the trust is a discretionary trust, is a discretionary object,

where the trustee acts in such capacity; or

DEFINITIONS

- (iii) any corporation in which he and his immediate family (whether directly or indirectly) have interests in voting shares of an aggregate of not less than 30.0% of the total votes attached to all voting shares,

or, if the context so requires, may have the meaning ascribed to it in the Catalist Rules

“associated company” : As defined in the Securities and Futures Regulations:

(a) in relation to an entity, means:

- (i) any corporation, other than a subsidiary of the entity, in which:

- (1) the entity or one or more of its subsidiaries or subsidiary entities;
- (2) the entity, one or more of its subsidiaries and one or more of its subsidiary entities together;
- (3) the entity and one or more of its subsidiaries together;
- (4) the entity and one or more of its subsidiary entities together; or
- (5) one or more of the subsidiaries of the entity and one or more of the subsidiary entities of the entity together,

has or have a direct interest, in the voting shares of the corporation, of not less than 20% but not more than 50% of the total votes attached to all voting shares in the corporation; or

- (ii) any corporation, other than a subsidiary of the entity, the policies of which:

- (1) the entity or one or more of its subsidiaries or subsidiary entities;
- (2) the entity together with one or more of its subsidiaries and one or more of its subsidiary entities;
- (3) the entity together with one or more of its subsidiaries;

DEFINITIONS

(4) the entity together with one or more of its subsidiary entities; or

(5) one or more of the subsidiaries of the entity together with one or more of the subsidiary entities of the entity,

is or are able to control or influence materially,

or, if the context so requires, may have the meaning ascribed to it in the Catalist Rules

“Audit Committee” : The audit committee of our Company as at the date of this Offer Document, unless otherwise stated

“Awards” : The awards which may be granted pursuant to the Performance Share Plan

“Board” or “Board of Directors” : The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated

“Catalist” : The sponsor-supervised listing platform of the SGX-ST

“Catalist Rule” or “Catalist Rules” : Any or all of the rules in the SGX-ST Listing Manual Section B: Rules of Catalist, as amended, supplemented or modified from time to time

“Code of Corporate Governance 2018” : The Code of Corporate Governance issued by the Authority on 6 August 2018, as amended, supplemented or modified from time to time

“Companies Act” : The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time

“Constitution” : Constitution of our Company, as amended or modified from time to time

“Controlling Shareholder” : In relation to a corporation, means:

- (a) a person who has an interest in the voting shares of a corporation and who exercises control over the corporation; or
- (b) a person who has an interest of 15% or more of the total votes attached to all the voting shares in a corporation, unless he does not exercise control over the corporation

DEFINITIONS

<i>“Deeds of Novation”</i>	:	The deed of novation in respect of, among others, the rights to the AccTax Guaranteed Profit entered into among John Tan, Koo Poh Heng Andre, Chai Yee Hoi and our Company on 5 November 2018, and the deed of novation in respect of, among others, the rights to the Guaranteed Profit entered into among John Tan, Ng Guan Kiat, Kheak Sock Lim and our Company on 5 November 2018
<i>“Director”</i>	:	A director of our Company as at the date of this Offer Document, unless otherwise stated
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Director”</i>	:	The executive Director of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Executive Officers”</i>	:	The executive officers of our Company as at the date of this Offer Document, who are also key executives as defined under the Securities and Futures Regulations, unless otherwise stated
<i>“FY”</i>	:	Financial year ended or, as the case may be, ending 31 December
<i>“GST”</i>	:	Goods and services tax
<i>“Guaranteed Profit”</i>	:	The profit guarantee granted to our Company by Ng Guan Kiat whereby the aggregate profit after tax of Patceljon and Jo-L for each of the financial years ending 31 December 2018 and 31 December 2019 shall be at least S\$0.36 million
<i>“Health Products Act”</i>	:	Health Products Act (Chapter 122D) of Singapore, as amended, supplemented or modified from time to time
<i>“HY”</i>	:	Half year ended or, as the case may be, ending 30 June
<i>“Independent Directors”</i>	:	The independent, Non-executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Jessie Low Non-Competition Deed”</i>	:	The non-competition deed entered into among Jessie Low, Ark Assurance and our Company on 12 November 2018
<i>“Latest Practicable Date”</i>	:	6 November 2018, being the latest practicable date before the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
<i>“Listing”</i>	:	The listing of the Shares on Catalist

DEFINITIONS

<i>“Management Agreement”</i>	:	The full sponsorship and management agreement dated 30 November 2018 entered into among our Company, the Vendor and the Sponsor pursuant to which the Sponsor shall sponsor and manage the Listing as described in the sections entitled “Plan of Distribution” and “General and Statutory Information – Management and Placement Arrangements” of this Offer Document
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“MD”</i>	:	Managing Director
<i>“Medinex 27 October 2017 Subscription Agreement”</i>	:	The subscription agreement dated 27 October 2017 entered into between our Company and John Tan, pursuant to which John Tan subscribed for 597 Shares amounting to approximately 4.07% of the then issued and paid-up share capital of our Company
<i>“Medinex 14 November 2017 Subscription Agreement”</i>	:	The subscription agreement dated 14 November 2017 entered into among our Company, HCSS and Shinex Capital, pursuant to which HCSS and Shinex Capital each subscribed for 1,194 Shares amounting to approximately 7.00% of the then issued and paid-up share capital of our Company
<i>“NAV”</i>	:	Net asset value
<i>“NCF Shares”</i>	:	The 1,200,000 new Shares to be allotted and issued to NCF as part of NCF’s professional fees as the Sponsor and Issue Manager
<i>“New Shares”</i>	:	The 26,000,000 new Shares for which our Company invites applications to subscribe for pursuant to the Placement, subject to and on the terms and conditions set out in this Offer Document
<i>“Nex Business Transfer Agreement”</i>	:	The business transfer agreement dated 5 July 2017 entered into between Nex and Northeast Health, pursuant to which Nex had acquired the business of Northeast Health for a consideration of approximately S\$1.86 million
<i>“Nex JVA”</i>	:	The joint venture agreement dated 5 July 2017 entered into among Nex, the Nex Vendors and Shine International Group Pte. Ltd., pursuant to which the parties agreed to manage and operate Nex

DEFINITIONS

<i>“Nex SPA”</i>	:	The sale and purchase agreement dated 27 October 2017 entered into among our Company and the Nex Vendors, pursuant to which our Company acquired the entire issued and paid-up share capital of Nex, as amended by the Nex Supplemental Letter
<i>“Nex Supplemental Letter”</i>	:	The supplemental letter to the Nex SPA dated 3 October 2018 entered into among our Company and the Nex Vendors, pursuant to which the parties agreed to amend certain provisions of the Nex SPA
<i>“Nex Vendors”</i>	:	HSN Healthcare, Dr. Tan Teck Jack, Dr. Chee Boon Ping, Dr. Goh Tze Chien, Kelvin (Wu Zhijian, Kelvin) and Dr. Wee Lay Kuan Amy
<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Non-executive Directors”</i>	:	The non-executive Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“NTA”</i>	:	Net tangible assets
<i>“Offer Document”</i>	:	This offer document dated 30 November 2018 issued by our Company in respect of the Placement
<i>“Option(s)”</i>	:	The share options which may be granted pursuant to the Share Option Scheme
<i>“Option Shares”</i>	:	The new Shares which may be allotted and issued upon exercise of the Options
<i>“Patceljon/Jo-L SPA”</i>	:	The sale and purchase agreement dated 15 June 2018 entered into among our Company, John Tan, Ng Guan Kiat, and Kheak Sock Lim, pursuant to which our Company acquired 60% of the issued and paid-up share capitals of each of Patceljon and Jo-L from Ng Guan Kiat and/or Kheak Sock Lim
<i>“PER”</i>	:	Price earnings ratio
<i>“Period Under Review”</i>	:	The period comprising FY2015, FY2016, FY2017 and HY2018
<i>“Performance Share Plan”</i>	:	The Medinex Performance Share Plan

DEFINITIONS

<i>“Performance Shares”</i>	:	The new Shares which may be allotted and issued pursuant to the Performance Share Plan
<i>“Placement”</i>	:	The placement of the Placement Shares by the Placement Agent on behalf of our Company and the Vendor for subscription and/or purchase at the Placement Price, subject to and on the terms and conditions set out in this Offer Document
<i>“Placement Agreement”</i>	:	The placement agreement dated 30 November 2018 entered into among our Company, the Vendor and the Placement Agent pursuant to which the Placement Agent shall subscribe for and/or purchase and/or procure to be subscribed for and/or purchased, the Placement Shares at the Placement Price as described in the sections entitled “Plan of Distribution” and “General and Statutory Information – Management and Placement Arrangements” of this Offer Document
<i>“Placement Price”</i>	:	S\$0.25 for each Placement Share
<i>“Placement Shares”</i>	:	The New Shares and the Vendor Shares which are the subject of the Placement
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Restructuring Agreement”</i>	:	The restructuring agreement dated 5 November 2018 entered into among our Company, John Tan, Chai Yee Hoi and Koo Poh Heng Andre, pursuant to which our Company acquired the remaining issued and paid-up share capitals of each of AccTax, Patceljon and Jo-L not then held by our Company
<i>“Restructuring Exercise”</i>	:	The restructuring exercise implemented in connection with the Listing, more fully described in the section entitled “Restructuring Exercise” of this Offer Document
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<i>“Securities and Futures Act” or “SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time

DEFINITIONS

<i>“Securities and Futures Regulations”</i>	:	The Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, supplemented or modified from time to time
<i>“Service Agreements”</i>	:	The service agreements entered into between our Company and each of Jessie Low and Low Siam Kiang as described in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document
<i>“SFRS (I)”</i>	:	Singapore Financial Reporting Standards (International)
<i>“SGXNET”</i>	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<i>“Share(s)”</i>	:	Ordinary share(s) in the capital of our Company
<i>“Shareholder(s)”</i>	:	Registered holder(s) of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Share Option Scheme”</i>	:	The Medinex Employee Share Option Scheme
<i>“Share Split”</i>	:	The sub-division of each existing Share into 5,590 Shares in the capital of our Company
<i>“Substantial Shareholders”</i>	:	Persons who have an interest in one or more Shares, and the total votes attaching to which represent not less than 5.0% of the total votes attaching to all the voting shares (excluding treasury shares) of our Company
<i>“Take-Over Code”</i>	:	The Singapore Code on Take-Overs and Mergers, as amended, supplemented or modified from time to time
<i>“Vendor Shares”</i>	:	The 4,000,000 issued and fully paid-up Shares owned by the Vendor for which the Vendor invites applications to purchase pursuant to the Placement, subject to and on the terms and conditions of this Offer Document

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Currencies, Units and Others

“S\$” and “cents”	:	Singapore dollars and cents respectively
“%” or “per cent.”	:	Per centum
“sq m”	:	Square metre

For the purpose of this Offer Document, the following persons named in the second column below are also known by the names set out in the first column:

Name used in this Offer Document	Name in National Registration Identity Card
-----------------------------------------	----------------------------------------------------

“Dr. Chia”	:	Chia Kok Hoong
“Dr. Heah”	:	Heah Sieu Min
“Jessie Low”	:	Jessie Low Mui Choo
“John Tan”	:	Tan Lee Meng
“Karun Letchumanan”	:	Karunanithi s/o Letchumanan
“San Wee”	:	Wee Yiap Fook San
“Valerie Low”	:	Low Mui Keow, Valerie (Lu Meijiao, Valerie)

The expressions “associated entity”, “controlling interest-holder”, “related corporation”, “related entity”, “subsidiary”, “subsidiary entity” and “substantial interest-holder” shall have the meanings ascribed to them respectively in the Securities and Futures Act, the Securities and Futures Regulations, the Companies Act and/or the Catalist Rules, as the case may be.

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

References in this Offer Document to Appendix or Appendices are references to an appendix or appendices respectively to this Offer Document.

Any discrepancies in tables included herein between the total sum of amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Document and the Application Forms to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Securities and Futures

DEFINITIONS

Regulations or any statutory modification thereof and used in this Offer Document and the Application Forms shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures Act, the Securities and Futures Regulations or any statutory modification thereto, as the case may be.

Any reference in this Offer Document and the Application Forms to Shares being allotted or allocated to you includes allotment or allocation to CDP for your account.

Any reference to a time of day in this Offer Document and the Application Forms is a reference to Singapore time unless otherwise stated.

Any reference in this Offer Document to “we”, “our”, “us” or their other grammatical variations is a reference to our Company, or our Group, or any member of our Group, as the context requires.

Unless we indicate otherwise, all information in this Offer Document is presented on the basis of our Group.

GLOSSARY OF TECHNICAL TERMS

To facilitate a better understanding of the business of our Group, the following glossary provides a description of some of the technical terms and abbreviations commonly used in our industry. The terms and abbreviations and their assigned meanings may not correspond to standard industry or common meanings or usage of these terms, and should not be treated as definitive.

<i>“ACCA”</i>	:	The Association of Chartered Certified Accountants
<i>“ATO”</i>	:	Accredited Training Organisation for the attainment of Chartered Accountant (Singapore) designation. The ATO status is granted by the Singapore Accountancy Commission to organisations that possess the appropriate standards of staff training, accountancy resources and development for candidates undertaking the Singapore CA Qualifications to fulfil their practical experience requirements
<i>“Bizfile”</i>	:	The online filing and information retrieval system of ACRA, enabling the public to access electronic services ranging from the submission of statutory documents to retrieval and purchases of information pertaining to business entities registered with ACRA
<i>“Business Support Services”</i>	:	Business support services provided to our clients in industries other than the healthcare industry, such services including accounting and tax agent services and corporate services, more fully described in the section entitled “General Information on our Group – Business Overview” of this Offer Document
<i>“Chartered Accountant (Singapore)”</i>	:	Professional designation conferred by ISCA
<i>“Class A”</i>	:	A class of medical devices under the Health Products (Medical Devices) Regulations 2010, classified as “low risk” in relation to health risk posed to an end-user of a medical device assigned to this class
<i>“Class A IVD”</i>	:	<i>In-vitro</i> diagnostic medical devices that are classified as Class A
<i>“ISCA”</i>	:	Institute of Singapore Chartered Accountants
<i>“Medical Support Services”</i>	:	Customised and value-added support services provided to healthcare service providers, more fully described in the section entitled “General Information on our Group – Business Overview” of this Offer Document

GLOSSARY OF TECHNICAL TERMS

- “Pharmaceutical Services”* : Assisting our clients in the procurement of medical and pharmaceutical products, more fully described in the section entitled “General Information on our Group – Business Overview” of this Offer Document
- “Singapore CA Qualifications”* : A post-graduate accountancy programme for the training, qualification and recognition of candidates seeking to be conferred the Chartered Accountant (Singapore) designation, and formerly known as the Singapore Qualification Programme or Singapore QP

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by the Vendor, us or our Directors, Executive Officers or employees acting on our or the Vendor's behalf, that are not statements of historical fact, constitute "forward-looking statements". You can identify some of these forward-looking statements by terms such as "expects", "believes", "plans", "intends", "estimates", "anticipates", "may", "will", "would" and "could" or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements.

These forward-looking statements, including without limitation, statements as to our revenue and profitability, planned strategy and anticipated expansion plans, trends in demand and costs, expected industry prospects and trends as well as any other matters discussed in this Offer Document regarding matters that are not historical fact, are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, *inter alia*, the following:

- (a) changes in political, social and economic conditions, the regulatory environment, laws and regulations and interpretation thereof in the jurisdictions where we conduct business or expect to conduct business;
- (b) the risk that we may be unable to realise our anticipated growth strategies and expected internal growth;
- (c) changes in the availability and cost of professional staff which we require to operate our business;
- (d) changes in clients' preferences and needs;
- (e) changes in competitive conditions and our ability to compete under such conditions;
- (f) changes in our future capital needs and the availability of financing and capital to fund such needs;
- (g) changes in currency exchange rates; and
- (h) other factors beyond our control.

Some of these risk factors are discussed in greater detail in this Offer Document, including, in particular, but not limited to, the discussions under the section entitled "Risk Factors" of this Offer Document. All forward-looking statements by or attributable to us, or persons acting on our behalf, contained in this Offer Document are expressly qualified in their entirety by such factors. These forward-looking statements are applicable only as of the date of this Offer Document.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements. None of us, the Vendor, the Sponsor and Issue Manager, the Placement Agent or any other person represents or warrants that our Group's actual future results, performance or achievements will be as discussed in those statements.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Our actual future results may differ materially from those anticipated in these forward-looking statements as a result of the risks faced by us. We, the Vendor, the Sponsor and Issue Manager, the Placement Agent and our advisers disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

SELLING RESTRICTIONS

This Offer Document does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, any jurisdiction, except for the lodgement and/or registration of this Offer Document in Singapore in order to permit an offering of the Placement Shares and the distribution of this Offer Document in Singapore. The distribution of this Offer Document and the offering of the Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by us, the Vendor, the Sponsor and Issue Manager and the Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to us, the Vendor, the Sponsor and Issue Manager and the Placement Agent. Persons to whom a copy of this Offer Document has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offer Document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

DETAILS OF THE PLACEMENT

LISTING ON CATALIST

A copy of this Offer Document has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority does not imply that the Securities and Futures Act, the Securities and Futures Regulations, the Catalist Rules or any other legal or regulatory requirements, have been complied with. Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Shares being offered or in respect of which the Placement is made, for investment. We have not lodged and/or registered this Offer Document in any other jurisdiction.

An application has been made to the SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares already issued (including the Vendor Shares), the New Shares, the NCF Shares, the Performance Shares and the Option Shares on Catalist. Such permission will be granted when we have been admitted to the Official List of Catalist. Our acceptance of applications will be conditional upon, *inter alia*, the issue of the New Shares and upon the listing and quotation of all of our existing issued Shares (including the Vendor Shares), the New Shares, the NCF Shares, the Performance Shares and the Option Shares on Catalist. If the admission, listing and trading of our Shares do not occur or the said permission is not granted for any reason, monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, and the applicant will not have any claim against us, the Vendor, the Sponsor and Issue Manager and the Placement Agent.

No Shares will be allotted and issued and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Sponsor to confirm that our Company is suitable to be listed and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has in any way considered the merits of the Placement Shares being offered for investment.

Admission to Catalist is not to be taken as an indication of the merits of the Placement, our Company, our subsidiaries, our existing issued Shares (including the Vendor Shares), the New Shares, the NCF Shares, the Performance Shares or the Option Shares.

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We and the Vendor are subject to the provisions of the Securities and Futures Act, the Securities and Futures Regulations and the Catalist Rules regarding corporate disclosure. In particular, if after the registration of this Offer Document, but before the close of the Placement, we or the Vendor become aware of:

- (a) a false or misleading statement or matter in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under Section 243 of the Securities and Futures Act; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, and which would have been required by Section 243 of the Securities and Futures Act to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

that is materially adverse from the point of view of an investor, we and the Vendor may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Placement shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for and/or purchase the Placement Shares and:

- (a) where the Placement Shares have not been issued and/or transferred to the applicants, our Company and the Vendor shall either:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document, as the case may be, and provide applicants with an option to withdraw their applications, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give applicants a copy of the supplementary or replacement offer document, as the case may be, and provide applicants with an option to withdraw their applications; or
 - (iii) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled, and within seven (7) days from the date of lodgement of the supplementary or replacement offer document, we (as well as on behalf of the Vendor) shall return all monies paid in respect of any application, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk; or

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- (b) where the Placement Shares have been issued and/or transferred to the applicants, our Company and the Vendor shall either:
- (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document (as the case may be), give applicants notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement offer document (as the case may be), as the case may be, and provide applicants with an option to return to us and/or the Vendor the Placement Shares which they do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
 - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us and/or the Vendor the Placement Shares, which they do not wish to retain title in; or
 - (iii) treat the issue and/or transfer of the Placement Shares as void, in which case the issue and/or transfer shall be deemed void and within seven (7) days from the date of lodgement of the supplementary or replacement offer document (as the case may be) we (as well as on behalf of the Vendor) shall return all monies paid in respect of any application, without interest or a share of revenue, or other benefit arising therefrom and at the applicants' own risk.

Any applicant who wishes to exercise his option under paragraph (a)(i) or (a)(ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us and the Vendor of this, whereupon we (as well as on behalf of the Vendor) shall, within seven (7) days from the receipt of such notification, return the application monies without interest or any share of revenue or other benefit arising therefrom and at his own risk, and he will not have any claim against us, the Vendor, the Sponsor and Issue Manager or the Placement Agent.

Any applicant who wishes to exercise his option under paragraph (b)(i) or (b)(ii) to return the Placement Shares issued and/or transferred to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us and the Vendor of this and return all documents, if any, purporting to be evidence of title to those Placement Shares to us, whereupon we (as well as on behalf of the Vendor) shall, within seven (7) days from the receipt of such notification and documents, if any, pay to him all monies paid by him for those Placement Shares, without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the issue and/or transfer of those Placement Shares shall be deemed to be void and he will not have any claim against us, the Vendor, the Sponsor and Issue Manager or the Placement Agent.

Pursuant to Section 242 of the Securities and Futures Act, the Authority may, in certain circumstances, issue a stop order ("**Stop Order**") to our Company and the Vendor, directing that no Shares or no further Shares to which this Offer Document relates, be allotted, issued or allocated. Such circumstances will include a situation where (i) this Offer Document contains any statement or matter which, in the Authority's opinion, is false or misleading; (ii) this Offer Document omits any information that should have been included in it under the Securities and

DETAILS OF THE PLACEMENT

Futures Act; (iii) this Offer Document does not, in the Authority's opinion, comply with the requirements of the Securities and Futures Act; or (iv) the Authority is of the opinion that it is in the public interest to do so.

In the event that the Authority or the SGX-ST, acting as agent on behalf of the Authority, issues a Stop Order and applications to subscribe for and/or purchase the Placement Shares have been made prior to the Stop Order, then:

- (a) where the Placement Shares have not been issued and/or transferred to the applicants, the applications for the Placement Shares shall be deemed to have been withdrawn and cancelled and our Company (and on behalf of the Vendor) shall, within 14 days from the date of the Stop Order, pay to the applicants all monies the applicants have paid in respect of their applications for the Placement Shares; or
- (b) where the Placement Shares have been issued and/or transferred to the applicants but trading has not commenced, the issue and/or transfer of the Placement Shares shall be deemed to be void and our Company (and on behalf of the Vendor) shall, within 14 days from the date of the Stop Order, pay to the applicants all monies paid by them for the Placement Shares.

Such monies paid in respect of an application will be returned to the applicants at their own risk, without interest or any share of revenue or other benefit arising therefrom, and they will not have any claims against us, the Vendor, the Sponsor and Issue Manager or the Placement Agent.

No representation, warranty or covenant, expressed or implied, is made by us, the Vendor, the Sponsor and Issue Manager or the Placement Agent or any of our or their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this Offer Document is, or shall, to the extent permitted by law, be relied upon as a promise, representation or covenant by us, the Vendor, the Sponsor and Issue Manager or the Placement Agent or any of our or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

None of our Company, the Vendor, the Sponsor and Issue Manager, and the Placement Agent nor any other parties involved in the Placement is making any representation to any person regarding the legality of an investment by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, legal or tax advice regarding an investment in our Shares. Each prospective investor should consult his own professional or other advisers for business, legal or tax advice regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Vendor, the Sponsor and Issue Manager or the Placement Agent. Neither the delivery of this Offer Document and the Application Forms nor any documents relating to the Placement, nor the Placement shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or development reasonably likely to create any change in our affairs, conditions or prospects, or the Placement Shares or in the statements of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we may make an announcement of the same to the SGX-ST and/or the Authority and the public and if required, we

DETAILS OF THE PLACEMENT

may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority, and will comply with the requirements of the Securities and Futures Act and/or any other requirements of the SGX-ST and/or the Authority. All applicants should take note of any such announcements, or supplementary or replacement offer document and, upon the release of such an announcement, or supplementary or replacement offer document, shall be deemed to have notice of such changes.

Save as expressly stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. The Placement Shares are offered for subscription and/or purchase solely on the basis of the information contained and representations made in this Offer Document.

This Offer Document has been prepared solely for the purpose of the Placement and may not be relied upon by any other persons other than the applicants in connection with their application for the Placement Shares or for any other purposes.

This Offer Document does not constitute an offer, solicitation or invitation of the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or unauthorised nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability, during office hours, from:

Novus Corporate Finance Pte. Ltd.
9 Raffles Place
#17-05 Republic Plaza Tower 1
Singapore 048619

UOB Kay Hian Private Limited
8 Anthony Road
#01-01
Singapore 229957

A copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

The Placement will open from 30 November 2018 (immediately upon the registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority) and will remain open until 12.00 noon on 5 December 2018.

The Application List will open immediately upon registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, on 30 November 2018 and will remain open until 12.00 noon on 5 December 2018 or for such further period or periods as our Directors and the Vendor may, in consultation with the Sponsor and Issue Manager and the Placement Agent, in their absolute discretion, decide, subject to any limitation under all applicable laws and regulations. In the event a supplementary offer document or a replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Application List will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.

Details of the procedures for application to subscribe for and/or purchase the Placement Shares are set out in “Appendix H – Terms, Conditions and Procedures for Applications and Acceptances” to this Offer Document.

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INDICATIVE TIMETABLE FOR LISTING

An indicative timetable on the trading of our Shares is set out below:

Indicative date/time	Event
30 November 2018 (immediately upon registration of this Offer Document)	Open of the Placement
5 December 2018 at 12.00 noon	Close of Application List
7 December 2018 at 9.00 a.m.	Commence trading on a “ready” basis
12 December 2018	Settlement date for all trades done on a “ready” basis

The above timetable is indicative only as it assumes that the date of closing of the Application List will be on 5 December 2018, the date of admission of our Company to Catalist will be on 7 December 2018, the shareholding spread requirement will be complied with and the Placement Shares will be issued and fully paid-up prior to 7 December 2018. **The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.**

The above timetable and procedures may be subject to such modification(s) as the SGX-ST may, in its absolute discretion, decide, including the commencement of trading on a “ready” basis.

In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the Internet at the SGX-ST website at <http://www.sgx.com>; and
- (b) in a local newspaper(s) in Singapore.

We will publicly announce the details of the results of the Placement (including the level of subscription and purchase and the results of the distribution of the Placement Shares pursuant to the Placement), as soon as it is practicable after the close of the Application List, through the channels in (a) and (b) above.

We reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Placement Shares, without assigning any reason, and no enquiry and/or correspondence on our decision will be entertained. In deciding the basis of allocation, due consideration will be given to the desirability of allocating our Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

You should consult the SGX-ST’s announcement on the “ready” trading date released on the internet (at the SGX-ST website <http://www.sgx.com>) or the local newspapers, or check with your brokers on the date on which trading on a “ready” basis will commence.

PLAN OF DISTRIBUTION

The Placement

The Placement is for 30,000,000 Placement Shares, comprising 26,000,000 New Shares and 4,000,000 Vendor Shares, offered in Singapore and the Listing is managed and sponsored by NCF.

Prior to the Placement, there has been no public market for our Shares. The Placement Price is determined by us and the Vendor, in consultation with the Sponsor and Issue Manager and the Placement Agent, taking into consideration, among others, prevailing market conditions and the estimated market demand for the Placement Shares, determined through a book-building process. The Placement Price is the same for all Placement Shares and is payable in full on application.

Pursuant to the Management Agreement, details of which are set out in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document, our Company and the Vendor have appointed NCF to manage and to act as full sponsor for the Listing. NCF will receive a management fee from our Company for its services rendered in connection with the Listing.

Placement Shares

The Placement Shares are made available to members of the public and institutional investors who may apply through their brokers or financial institutions by way of the Application Forms.

Applications for the Placement Shares may only be made by way of printed Application Forms as described in “Appendix H – Terms, Conditions and Procedures for Applications and Acceptances” to this Offer Document.

Pursuant to the Placement Agreement entered into among us, the Vendor and the Placement Agent as set out in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document, our Company and the Vendor have appointed UOBKH as the Placement Agent and UOBKH has agreed to subscribe for and/or purchase, and/or procure to be subscribed for and/or purchased, the Placement Shares for a commission of 3.50% of the Placement Price, payable by our Company and the Vendor in the Agreed Proportion, for the total number of Placement Shares successfully subscribed for and/or purchased.

Subscribers and/or purchasers of the Placement Shares will be required by the Placement Agent to pay brokerage of up to 1.00% of the Placement Price (and the prevailing GST thereon, if applicable) to the Placement Agent.

Subscription for and/or purchases of Placement Shares

Shinex Capital, a Controlling Shareholder, has indicated that it may subscribe for more than 5.0% of the Placement Shares in the Placement. Nobel Capital Venture Pte. Ltd., an investment holding company of which our Executive Director and Chief Executive Officer, Jessie Low, is director and holds 13.33% of the issued share capital, has indicated that it may subscribe for more than 5.0% of the Placement Shares in the Placement. Save as disclosed, to the best of our knowledge and belief, none of our Directors or Substantial Shareholders intends to subscribe for and/or purchase the Placement Shares pursuant to the Placement. As far as we are aware, none of our Executive Officers or employees intends to subscribe for and/or purchase more than 5.0% of the Placement Shares in the Placement.

Save as disclosed, to the best of our knowledge, we are not aware of any person who intends to subscribe for and/or purchase more than 5.0% of the Placement Shares in the Placement.

PLAN OF DISTRIBUTION

However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for and/or purchase Shares amounting to more than 5.0% of the Placement Shares. If such person(s) were to make an application for more than 5.0% of the Placement Shares pursuant to the Placement and are subsequently allotted and/or allocated such number of Shares, we will make the necessary announcements at an appropriate time. The final allotment and allocation of Shares will be in accordance with the shareholding spread and distribution guidelines as set out in the Catalist Rules.

No Shares shall be allotted and issued and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

Interests of the Sponsor and Issue Manager

In the reasonable opinion of our Directors, NCF does not have a material relationship with our Company, save as disclosed below and in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document:

- (a) NCF is the Sponsor and Issue Manager in relation to the Listing;
- (b) NCF will be the continuing Sponsor of our Company for a period of three (3) years from the date our Company is admitted and listed on Catalist;
- (c) pursuant to the Management Agreement and as part of NCF’s management fees as the Sponsor and Issue Manager, our Company will be allotting and issuing 1,200,000 NCF Shares at the Placement Price to NCF, representing approximately 0.91% of the issued and paid-up share capital of our Company immediately after the Placement;
- (d) NCF had historically engaged our Group for corporate secretarial services and accounting and tax agent services. Moving ahead, NCF will continue to engage our Group for accounting and tax agent services. The cost for such accounting and tax agent services is not significant and is not expected to exceed approximately S\$15,000 annually; and
- (e) NCF’s parent company, Novus Investment Holdings Pte. Ltd., had historically engaged our Group for corporate secretarial services. The cost for such services was not significant nor material and such services have been discontinued since July 2018.

Interests of the Placement Agent

In the reasonable opinion of our Directors, UOBKH does not have a material relationship with our Company other than as the Placement Agent in relation to the Placement.

OFFER DOCUMENT SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information (including the notes thereto) appearing elsewhere in this Offer Document. Terms defined elsewhere in this Offer Document have the same meaning when used herein. You should carefully consider all the information presented in this Offer Document, especially the section entitled “Risk Factors” of this Offer Document, before deciding to invest in our Shares.

OUR COMPANY

Our Company was incorporated in Singapore on 12 January 2009 under the Companies Act as a private company limited by shares under the name “JK Bizcomp Pte. Ltd.”. Subsequently, we were renamed “JK Advisors Pte. Ltd.” and “JK Group Solutions Pte. Ltd.”. On 2 May 2017, we were renamed “Medinex Pte. Ltd.”. On 9 November 2018, our Company was converted into a public company and renamed “Medinex Limited”. Our Company’s registration number is 200900689W.

OUR BUSINESS

We are a Singapore-based provider of Medical Support Services, specialising in providing professional support services to medical clinics. Our 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 resource management services and corporate secretarial services. We also focus on providing Pharmaceutical Services to our clients, assisting them in procuring medical and pharmaceutical products.

As an ancillary service, we provide Business Support Services to companies outside of the healthcare industry.

Please refer to the section entitled “General Information on Our Group – Business Overview” of this Offer Document for more details.

SUMMARY OF OUR FINANCIAL INFORMATION

The following summary financial information should be read in conjunction with the full text of this Offer Document, including the sections entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position”, the “Independent Auditors’ Report and Audited Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Years Ended 31 December 2015, 2016 and 2017”, the “Independent Auditors’ Review Report and Unaudited Interim Condensed Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Period from 1 January 2018 to 30 June 2018” and the “Independent Auditors’ Assurance Report and Unaudited *Pro Forma* Combined Financial Information of Medinex Limited and its Subsidiaries for the Financial Year Ended 31 December 2017 and for the Financial Period from 1 January 2018 to 30 June 2018” as set out in Appendices A, B, and C respectively to this Offer Document.

OFFER DOCUMENT SUMMARY

Results of operations of our Group

(S\$'000)	← Audited →			← Unaudited →		← Unaudited Pro Forma →	
	FY2015	FY2016	FY2017	HY2017	HY2018	FY2017	HY2018
Revenue	1,366	1,762	3,043	1,102	4,459	5,473	4,941
Profit before income tax	510	775	1,002	636	1,178	1,369	1,415
Profit attributable to owners of our Company⁽¹⁾	487	745	946	583	1,057	1,307	1,312
EPS ⁽²⁾ (cents)	0.47	0.72	0.91	0.56	1.02	1.26	1.26
Adjusted EPS ⁽¹⁾⁽³⁾ (cents)	0.37	0.57	0.72	0.44	0.81	1.00	1.00

Notes:

- (1) Had the Service Agreements (as described in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document) been in place since 1 January 2017, our *pro forma* profit before income tax, *pro forma* profit attributable to owners of our Company and *pro forma* adjusted EPS for FY2017 based on our post-Placement share capital of 131,207,540 Shares would have been approximately S\$1.18 million, S\$1.13 million and 0.86 cents respectively.
- (2) For illustrative purposes, the EPS for the financial periods under review have been computed based on profit attributable to owners of our Company and the pre-Placement share capital of 104,007,540 Shares.
- (3) For illustrative purposes, the adjusted EPS for the financial periods under review have been computed based on profit attributable to owners of our Company and the post-Placement share capital of 131,207,540 Shares.

Financial position of our Group

(S\$'000)	Audited As at 31 December 2017	Unaudited As at 30 June 2018	← Unaudited Pro Forma →	
			As at 31 December 2017	As at 30 June 2018
Non-current assets	2,536	3,995	5,817	5,723
Current assets	4,476	4,348	5,538	5,057
Total Assets	7,012	8,343	11,355	10,780
Non-current liabilities	10	20	9	23
Current liabilities	892	1,101	2,659	1,132
Total liabilities	902	1,121	2,668	1,155
Equity attributable to owners of our Company	6,110	7,180	8,687	9,625
Non-controlling interest	—	42	—	—
Total equity	6,110	7,222	8,687	9,625
Total equity and liabilities	7,012	8,343	11,355	10,780
NAV per Share (cents) ⁽¹⁾	5.87	6.90	8.35	9.25
NTA per Share (cents) ⁽²⁾	3.53	4.19	2.86	3.84

Notes:

- (1) NAV per Share is computed based on the equity attributable to owners of our Company and the pre-Placement share capital of 104,007,540 Shares.
- (2) NTA per Share is computed based on the equity attributable to owners of our Company net of intangible assets and the pre-Placement share capital of 104,007,540 Shares.

OFFER DOCUMENT SUMMARY

OUR COMPETITIVE STRENGTHS

We believe that we are able to compete effectively with the following competitive strengths:

- we are a comprehensive integrated Medical Support Services provider;
- we have a strong and experienced management team;
- we maintain long-standing and established relationships with our customers; and
- we have cultivated an extensive network of relationships and are familiar with the business and regulatory landscape and requirements of the healthcare industry.

Please refer to the section entitled “General Information on Our Group – Competitive Strengths” of this Offer Document for more details.

OUR BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans are as follows:

- realise synergies among our subsidiaries acquired pursuant to the Restructuring Exercise;
- expand our marketing and business development team; and
- expand our Group’s business operations via acquisitions, joint ventures and/or strategic partnerships.

A detailed discussion of our business strategies and future plans is set out in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document.

OUR CONTACT DETAILS

Our registered office and business address is at 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098. The telephone and facsimile numbers of our business address are +65 6604 6330 and +65 6604 6334 respectively. Our email address is contact@medinex.com.sg. Our Company’s website is <http://www.medinex.com.sg/>. **Information contained on our website does not constitute part of this Offer Document.**

THE PLACEMENT

Placement Size	:	30,000,000 Placement Shares comprising 26,000,000 New Shares and 4,000,000 Vendor Shares. The New Shares, upon allotment and issue, will rank <i>pari passu</i> in all respects with our existing issued Shares.
Placement Price	:	S\$0.25 for each Placement Share, payable in full on application.
The Placement	:	The Placement comprises a placement by the Placement Agent on behalf of our Company and the Vendor of 30,000,000 Placement Shares at the Placement Price by way of placement, subject to and on the terms and conditions of this Offer Document.
Purpose of the Placement	:	<p>Our Directors are of the view that the listing of our Company and quotation of our Shares on Catalist will enhance our public image internationally and enable us to raise funds from the capital markets to fund the expansion of our business operations.</p> <p>The Placement will also provide the members of the public, our employees, our business associates and others who have contributed to the success of our Group with an opportunity to participate in the equity of our Company. In addition, the proceeds from the New Shares will provide us with additional capital to fund our business expansion and to be used for general working capital purposes.</p>
Listing Status	:	Prior to the Placement and the Listing, there has been no public market for our Shares. Our Shares will be quoted in Singapore dollars on Catalist, subject to the admission of our Company to Catalist and permission to deal in, and for quotation of, all our Shares that are already issued (including the Vendor Shares), the New Shares, the NCF Shares, the Performance Shares and the Option Shares.
Risk Factors	:	Investing in our Shares involves risks which are described in the section entitled “Risk Factors” of this Offer Document.
Use of Proceeds	:	Please refer to the section entitled “Use of Proceeds and Listing Expenses” of this Offer Document for more details.

PLACEMENT STATISTICS

PLACEMENT PRICE 25.00 cents

NAV

NAV per Share based on the unaudited *pro forma* balance sheet of our Group as at 30 June 2018:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's pre-Placement share capital of 104,007,540 Shares | 9.25 cents |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's post-Placement share capital of 131,207,540 Shares | 11.39 cents |

Premium of Placement Price over the NAV per Share as at 30 June 2018:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's pre-Placement share capital of 104,007,540 Shares | 170.27% |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's post-Placement share capital of 131,207,540 Shares | 119.49% |

NTA

NTA per Share based on the unaudited *pro forma* balance sheet of our Group as at 30 June 2018:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's pre-Placement share capital of 104,007,540 Shares | 3.84 cents |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's post-Placement share capital of 131,207,540 Shares | 7.10 cents |

Premium of Placement Price over the NTA per Share as at 30 June 2018:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's pre-Placement share capital of 104,007,540 Shares | 551.04% |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on our Company's post-Placement share capital of 131,207,540 Shares | 252.11% |

PLACEMENT STATISTICS

EPS

Pro forma unaudited EPS of our Group for FY2017 based on our Company's post-Placement share capital of 131,207,540 Shares 1.00 cents

Pro forma unaudited EPS of our Group for FY2017 based on our Company's post-Placement share capital of 131,207,540 Shares, assuming the Service Agreements had been in place since 1 January 2017 0.86 cents

PER

Pro forma unaudited PER based on the Placement Price and the *pro forma* unaudited EPS of our Group for FY2017 25.00 times

Pro forma unaudited PER based on the Placement Price and the *pro forma* unaudited EPS of our Group for FY2017, assuming the Service Agreements had been in place since 1 January 2017 29.07 times

Net operating cash flow⁽¹⁾

Pro forma unaudited net operating cash flow per Share of our Group for FY2017 based on our Company's post-Placement share capital of 131,207,540 Shares 1.20 cents

Pro forma unaudited net operating cash flow per Share of our Group for FY2017 based on our Company's post-Placement share capital of 131,207,540 Shares, assuming the Service Agreements had been in place since 1 January 2017 1.06 cents

Price to net operating cash flow

Ratio of Placement Price to *pro forma* unaudited net operating cash flow per Share of our Group for FY2017 based on our Company's post-Placement share capital of 131,207,540 Shares 20.83 times

Ratio of Placement Price to *pro forma* unaudited net operating cash flow per Share of our Group for FY2017 based on our Company's post-Placement share capital of 131,207,540 Shares, assuming the Service Agreements had been in place since 1 January 2017 23.58 times

Market capitalisation

Market capitalisation based on the Placement Price and our Company's post-Placement share capital of 131,207,540 Shares S\$32.80 million

Note:

(1) Net operating cash flow refers to net cash provided by operating activities.

RISK FACTORS

Prospective investors should carefully consider and evaluate each of the following considerations and all the other information set forth in this Offer Document (including the financial statements and the notes thereto) before deciding to invest in our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general economic, political and regulatory conditions, the securities markets and ownership of our Shares, including possible future dilution in the value of our Shares. These are not the only risks we face. Some risks are not yet known to us and there may be others which we currently believe are not material but may subsequently turn out to be so. Factors that affect the price of our Shares may change, and the following should not be construed as a comprehensive listing of all the risk factors. Prospective investors are advised to apprise themselves of all factors involving the risks of investing in our Shares from their professional advisers before making any decision to invest in our Shares.

This Offer Document also contains forward-looking statements having direct and/or indirect implications on our future performance. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks and uncertainties faced by us described below and elsewhere in this Offer Document including in the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

RISKS RELATING TO OUR BUSINESSES AND INDUSTRIES WE OPERATE IN

We are subject to relevant legislation and regulations

We are required to obtain various licences and permits to operate our business, such as the wholesaler’s licence and dealer’s licence under the Health Products Act as well as registrations such as registered filing agent under the ACRA Act.

The relevant regulatory authorities determine the criteria that must be met before they grant or renew licences and permits which are essential for our business and operations. As at the Latest Practicable Date, to the best of our Directors’ knowledge, our Group has obtained all the necessary licences and permits for our business and operations. Please refer to the section entitled “General Information on our Group – Government Regulations” of this Offer Document for more information on the list of the main laws and regulations that materially affect our operations and the list of licences, permits and approvals that are required by our Group.

The renewal of our licences and permits is subject to compliance with the relevant laws and regulations. While there have been no previous instances of our failure to obtain licence or permit renewals, there is no assurance that our licences or permits will be renewed upon expiry.

Any changes to the existing legislation and regulations may require us to apply for new licences and permits, and there is no assurance that we will be able to obtain these new licences and permits. Failure to renew or obtain such licences and permits may have an adverse impact on our operations and financial performance. In addition, if there are any changes in legislation, regulations or policies governing the types of services that we provide, such that more restrictions and/or additional compliance requirements are imposed by the regulatory authorities on us which would restrict the conduct of our business and/or result in higher costs for us, our business and/or financial performance may be adversely affected. In the event that it is not viable to factor such increased costs into our prices, we will have to absorb these cost increments and this would affect our profitability. In addition, legislation in certain countries may restrict companies, professional firms and bodies from outsourcing work to us, or may limit our ability to provide our services to them thereby materially affecting our financial performance or operations.

RISK FACTORS

We may be affected by any adverse impact on our reputation and goodwill

As a professional services firm, our Group's ability to secure new business depends heavily on the reputation of our Directors, Executive Officers, and/or Substantial Shareholders. Any negative publicity or announcement about us, our Directors, our Executive Officers or Substantial Shareholders, whether founded or unfounded, may tarnish our reputation and goodwill with our clients and may adversely affect the market perception of our Company. Such negative publicity or announcement may include, *inter alia*, unsuccessful attempts in joint ventures, acquisitions or takeovers, or involvement in litigation or insolvency proceedings. Under these circumstances, our clients may lose confidence in our business, our Directors or our Executive Officers, and this could affect our business relationships with them and their referral of new business opportunities. This may have a material and adverse impact on our business, financial position, results of operations, prospects and our share price.

None of our Directors, our Executive Officers nor our Group is presently involved in any litigation or insolvency proceedings.

We are dependent on certain key personnel for our continued growth

We believe our success to-date has been largely attributable to the contributions and expertise of our Executive Director and Chief Executive Officer, Jessie Low, as well as our Executive Officers, who have extensive experience in the professional services industry. They are responsible for formulating and implementing our growth plans, corporate development and overall business strategies. Our continued growth and development will depend, to a large extent, on our ability to retain the services of our Executive Director and Chief Executive Officer and our Executive Officers. The loss of the services of our Executive Director and Chief Executive Officer or any of our Executive Officers without suitable and timely replacement, or the inability to attract and retain qualified personnel, may adversely affect our business, financial position, results of operations and prospects.

We may not be able to compete successfully

We provide business support services as part of our Medical Support Services, and Business Support Services to our clients in industries other than the healthcare industry. There are numerous entities of various sizes providing similar services in the area of business support services. We generally compete with our competitors on providing, among other things, quality service to clients, competitive pricing and innovative solutions.

There is no assurance that we can continue to compete against our competitors in the future. We may face more intense competition in the future from existing competitors and new market entrants. Our competitors or potential competitors may be in a better position to expand their market share, whether because they have longer operating history, larger client base, wider range of services, greater financial resources, greater accessibility to personnel, financial, technological and marketing resources than we do or otherwise. Increased competition may result in lower demand for our services, lower profit margins and/or loss of market share. Our competitors may also be able to provide clients with similar services at lower costs. If we fail to compete effectively against our competitors, and to maintain or grow our market share, our business, financial position, results of operations and prospects may be adversely affected. Please refer to the section entitled "General Information on Our Group – Competition" of this Offer Document for more details.

RISK FACTORS

We are exposed to the credit risks of our clients

While our payment terms generally provide that payment should be made upon receipt of invoices, certain clients may take between 30 to 90 days to make payment of our fees. We are exposed to the risk of bad debts should our clients face financial difficulties or if they decline, neglect or fail to fulfil their payment obligations to us. In the event that we are unable to collect payments due to us from our clients, we will have to make allowance for doubtful or bad debts or incur debt write-offs, all of which will have an adverse effect on our business, financial position, results of operations and prospects.

Please refer to the section entitled “General Information of Our Group – Credit Management” of this Offer Document for more details.

We may be subject to potential liability from negligence or other similar claims

We provide business support services such as accounting and tax agent services, human resource management services and corporate secretarial services and are susceptible to potential liability from negligence, breach of client contract and other similar client claims, complaints and allegations.

If our Group fails to meet the expectations of our clients in delivering quality professional services, our clients may commence legal proceedings against us for alleged gross negligence, wilful misconduct, non-performance or delay in the delivery of services on our part, and/or lodge complaints against our Group to ACRA or other relevant authorities.

In the event that such claims are not concluded in our favour and we are made liable for damages and incur legal costs, and/or we accept settlement terms that are unfavourable to us, our financial performance and financial position will be adversely affected.

Our Group has taken out professional indemnity insurance to reduce our exposure to the financial consequences arising from professional negligence claims. However, such professional indemnity insurance may not be adequate to cover claims that our clients may bring against our Group. As a result, we may have to bear the costs of any uninsured risk or uninsured amount, which can have a material and adverse effect on our business, financial position, results of operations and prospects. Such claims, complaints and allegations, whether founded or unfounded, may also tarnish our reputation and goodwill with our clients.

As at the Latest Practicable Date, we have not been subject to any claims, complaints or allegations of, amongst others, negligence or breach of contract, and have not been involved in any legal or other proceedings, which have had a material adverse impact on our Group.

We may be subject to fines and/or other penalties for past non-compliance with statutory provisions

Between 1996 to June 2018, due to inadvertent omissions and administrative oversight, some of our Group Companies did not comply with certain provisions of the Companies Act and/or the Stamp Duties Act (Chapter 312) of Singapore (“**Stamp Duties Act**”). Certain transfers of Shares and shares in the capital of our subsidiaries were not in compliance with Section 66 of the Stamp Duties Act as stamp duty was not paid prior to registration of the transfer instrument, and as such, pursuant to the Stamp Duties Act, the person whose office it is to record such transfer instrument may be liable on conviction to a fine not exceeding S\$1,000. In addition, certain notice of resolutions relating to the authority to issue shares which was passed at the annual general meetings were not filed with ACRA as required by Section 186 of the Companies Act then

RISK FACTORS

subsisting and, as such, the company and every officer of the company who is in default shall be guilty of an offence and may be liable to, amongst others, a fine not exceeding S\$1,000.

While these past non-compliance with statutory provisions do not affect the validity of the share transfers or the resolutions passed at the annual general meetings, our Group Companies and their directors and officers may be liable for statutory penalties for such past non-compliances, although no enforcement actions have been taken against us as at the Latest Practicable Date.

Our insurance coverage may not be adequate

We have taken up insurance policies for risks such as professional liability insurance, business insurance and work injury compensation insurance. While our Directors believe that we have sufficient coverage in accordance with industry standards, we are unable to assure that our existing coverage will be sufficient to indemnify us against all such losses. There are also certain types of risks that are not covered by our insurance policies because they are either uninsurable or not economically insurable, including acts of war and acts of terrorism. In addition, we are not insured against business disruption. If such events were to occur, we may have to bear the costs of any uninsured risk or uninsured amount, which can have a material and adverse effect on our financial position, results of operations and prospects.

We are exposed to the risk of unauthorised disclosure

We handle, store and manage private and confidential information relating to our clients' business operations, finances and transactions, which may be market sensitive. The use of inside information is highly regulated in Singapore, and violations of securities laws and regulations may result in civil and criminal penalties. All of our employees have undertaken non-disclosure obligations upon employment with our Group. If we, or any of our employees, fail to keep our clients' proprietary information confidential, we may lose existing customers and potential clients and may expose them to significant liability and loss of revenue based on the unauthorised use of confidential information.

If there is any breach in our security systems resulting in any information inadvertently or intentionally disclosed, we may also be subject to civil claims by our customers or other third parties or criminal investigations by the relevant authorities. This could severely harm our business and result in costly litigation and potential liability for us. A compromise of our security systems or a perceived compromise of our security systems could also result in negative publicity, causing us to lose clients and business. In the event that someone is able to circumvent our security measures, that person could misappropriate proprietary information that could be valuable to our competitors or could even result in the perpetration of fraudulent transactions for which we may be found liable. Notwithstanding that we attempt to limit these risks contractually, there can be no assurance that our clients will not demand the elimination of limitation of liability provisions and guarantee against such security breaches in our client contracts. To the extent our competitors agree to unlimited liability, it could affect our ability to retain these limitations in our contracts at the risk of losing the business.

Although we are insured against various risks, our insurance coverage is subject to deductibles, exclusions and limitations that may leave us bearing some or all of any losses arising from a security breach. In addition, we may be required to expend significant capital and other resources to continue to keep our security measures up to date and to protect us against the threat of a security breach.

RISK FACTORS

As at the Latest Practicable Date, there have been no such occurrences or circumstances which have had a material adverse impact on our Group.

We are reliant on our ability to attract and retain talent

Our services depend on our ability to attract and retain high quality professionals for our Medical Support Services and Business Support Services. Accordingly, we are vulnerable to the availability and costs of talented employees. The market for high quality professionals is very competitive and we may experience difficulty in hiring talent with appropriate qualifications and experience.

With an increasing demand for high quality professionals, and attractive remuneration offered to such professionals in Singapore, there is no assurance that we will be able to continue attracting high quality professionals at current remuneration or that our current professionals will continue to be employed by us. Any increase in competition for high quality professionals will increase our labour costs. Consequently, if we are not able to pass on the increase in labour costs to our clients, our business, financial position, results of operations and prospects will be adversely affected.

Challenges faced by the healthcare industry may have an effect on our Group

Our Medical Support Services business is reliant to a large extent on the state and health of the healthcare industry in Singapore. Accordingly, our business, financial position, results of operations and prospects may be affected by the challenges currently faced by the healthcare industry, including but not limited to:

- (a) economic and business climate at local, regional and international levels;
- (b) increase in the threat of terrorism and occurrence of natural and man-made disasters that affect travel security or the global economy may reduce the number of medical travellers;
- (c) improvements in the quality of healthcare services in other countries may affect the number of medical travellers coming to Singapore clinics and facilities;
- (d) technological and pharmaceutical improvements that increase the cost of providing and/or reduce the demand for healthcare;
- (e) rising costs of medical and pharmaceutical products;
- (f) stricter laws and regulations relating to the protection of patient information from unauthorised disclosure;
- (g) stricter laws and regulations governing the purchase and dispensation of medical and pharmaceutical products;
- (h) reputational and potential financial risk to our operations caused by the independent actions of doctors, including the fees they charge for their services; and
- (i) stricter laws and regulations in relation to the payment of fees to managed care companies, third party administrators, insurance entities or patient referral services.

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Further, as our customers are mainly general practitioners or specialists who provide private healthcare services, the demand for their healthcare services is largely dependent on the financial ability and willingness of their patients to pay for private healthcare services. General negative market sentiment, slowdown in the economy or a higher unemployment rate may lead to a decrease in demand for the public's demand for private healthcare services as more individual patients may opt for subsidised public healthcare services available at government hospitals and polyclinics that are more price competitive.

The healthcare industry is also highly regulated, and healthcare professionals are subject to laws, regulations, codes and guidelines governing, among others, the conduct of their business operations, purchase of medical and pharmaceutical products and fee structures. Any material changes in or the introduction of new applicable laws, regulations, codes and/or guidelines could result in more stringent requirements on or a change in the practices or business models of healthcare professionals, and consequently affect their demand for our services and/or the terms of our engagement.

In the event that the healthcare industry, in particular private practitioners, is unable to effectively address the abovementioned challenges, there may be a material adverse effect on our business, financial position, results of operations and prospects.

We may face uncertainties associated with the integration of our newly-acquired subsidiaries and the expansion of our business

Our Group currently comprises our Company and six (6) subsidiaries, of which Nex was acquired in FY2017 and AccTax, Patceljon and Jo-L in HY2018. In order to further grow our businesses, we may explore additional acquisitions, joint ventures and/or strategic alliances which we believe will complement our current and future businesses. Details of our business strategies and future plans are discussed in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document.

Our Group may face difficulties integrating the businesses of our newly-acquired entities or subsidiaries. While we anticipate that there will be synergies to be obtained from the integration of newly-acquired entities or subsidiaries, and that our Group will benefit from economies of scale, whether or not, and when, such synergies and economies of scale will materialise will depend on, among other factors, the ability of our management team to coordinate and consolidate the operations of our Group, including the integration of internal controls and other corporate and administrative functions. There is no assurance that such coordination or consolidation will be successful, or that the anticipated synergies and economies of scale will materialise.

In addition, these future plans will require substantial capital expenditure and financial resources and will involve numerous risks, including but not limited to, the incurrence of working capital requirements and exposure of our business to unforeseen liabilities and risks associated with entering new markets or new businesses which we may not have experience in. There is no assurance that these plans will generate revenue that are commensurable with our investment costs. If we fail to generate a sufficient level of revenue or if we fail to manage our costs efficiently, we will not be able to recover our investment and our future financial performance and financial position may be adversely affected.

Participation in acquisitions, joint ventures and/or strategic alliances similarly involves numerous risks, including but not limited to difficulties in the assimilation of the management, operations, services and personnel and the possible diversion of management attention from other business concerns. The successful implementation of our growth strategies depends on our ability to

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identify suitable partners and the successful integration of their operations with ours. There is no assurance that we will explore acquisitions, joint ventures and/or strategic alliances that are complementary to our businesses.

There can be no assurance that we will be able to execute such growth strategies successfully and as such, the performance of any acquisitions, joint ventures or strategic alliances could fall short of expectations.

We may not be able to attract and retain our customers, including our major customers

Our major customers listed under the section entitled “General Information on our Group – Our Major Customers” contributed in aggregate 5.41%, 6.34%, 24.81% and 44.48% of our revenue in FY2015, FY2016, FY2017 and HY2018 respectively.

There is no assurance that our Group’s customers will continue to engage the relevant entities in our Group or that our Group will continue to sustain the general level of revenues that it has been securing from these customers. If any of our Group’s major customers cease to have business dealings with our Group or materially reduce the level of business that they engage our Group for and/or we are unable to secure mandates with new customers of similar contract quantum as our existing mandates, our business, financial position, results of operations and prospects may be materially and adversely affected.

We may be unable to find alternative suppliers for our Pharmaceutical Services

In HY2018, purchases of pharmaceutical products from Zuellig Pharma Pte. Ltd. (“**Zuellig**”) and DKSH Singapore Pte. Ltd. (“**DKSH**”) accounted for approximately 53.09% of our Group’s total purchases.

Zuellig and DKSH are the local exclusive authorised distributors for a number of proprietary drugs, including those listed in the section entitled “General Information on our Group – Business Overview – Pharmaceutical Services”. We do not enter into long-term contracts with Zuellig or DKSH. To the best of our knowledge and belief, while there are substitutes in the form of generic drugs that are in the same class of drugs distributed by Zuellig and DKSH, there are no direct equivalents as the term of the patents for such drugs have not run out. Accordingly, in the event that Zuellig or DKSH are unable or unwilling to supply us with such proprietary drugs, or if Zuellig or DKSH face any issues with securing the relevant licences, permits and/or approvals required by them in order to distribute pharmaceutical products in Singapore, and our customers do not consider alternative drugs to be suitable for their purposes, we may be unable to fulfil, or face significant delays or increased cost in fulfilling, our customers’ orders. As a result, our business, financial position, results of operations and prospects may be materially and adversely affected.

We may be affected by impairment of our intangible assets

Our Group recorded intangible assets (comprising of goodwill and customer contracts) of S\$2.44 million and S\$2.82 million in FY2017 and HY2018 respectively in relation to the acquisition of Nex in FY2017 and the acquisition of AccTax in HY2018.

In accordance with applicable accounting standards, we periodically evaluate our intangible assets to determine whether all or a portion of their respective carrying values may no longer be recoverable, in which case a charge to profit or loss may be necessary. Please refer to the section entitled “Summary of Significant Accounting Policies” in the “Independent Auditors’ Report and Audited Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial

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Years Ended 31 December 2015, 2016 and 2017” as set out in Appendix A to this Offer Document, for details on our Group’s accounting policies.

Any future evaluations requiring an impairment of our intangible assets may result in a material adverse effect on our results of operations and financial position, including Shareholders’ equity in the period in which the impairment occurs. A material charge to profit or loss and decrease in Shareholders’ equity may, in turn, potentially limit our ability to obtain financing in the future.

We may be affected by any changes in the general economic, regulatory, political and social conditions and developments globally and in Singapore

Our business may be materially and adversely affected by local and global developments in relation to inflation, bank interest rates, government policies and regulations and other conditions which may impact economic, regulatory, political and social stability globally and in Singapore. We have no control over such conditions and developments and there is no assurance that such conditions and developments will not occur and adversely affect our business operations. One such example is the GST in Singapore which is expected to rise in the future, as announced by the Minister for Finance in the Singapore Budget 2018. Negative developments in the socio-political climate of Singapore may also adversely affect our Group’s business, financial position, results of operations and prospects. The regional countries are in a state of rapid political, economic and social changes, which will entail risks to our business and operations if we are to expand in the region in the future. As such, we are unable to assure you that we will be able to adapt to the local conditions, regulations and business practices and customs in future. Any changes implemented by the Singapore government resulting, *inter alia*, in currency and interest rate fluctuations, capital restrictions, and changes in duties and taxes detrimental to our business could materially and adversely affect our business, financial position, results of operations and prospects.

We may be affected by terrorist attacks, natural disasters, outbreaks of communicable diseases and other events beyond our control

Terrorist attacks, natural disasters and other events beyond our control in Singapore and/or other countries may lead to uncertainty in the economic outlook of these countries leading to an economic downturn. This will in turn have an adverse impact on our business. In addition, although such acts have not in the past targeted our assets or those of our clients, there can be no assurance that this will not happen in the future. Our current insurance policies do not cover terrorist attacks. The consequences of any such terrorist attacks, natural disasters or other events beyond our control are unpredictable and unforeseeable, and may have an adverse effect on our business, financial position, results of operations and prospects.

An outbreak of Ebola virus, severe acute respiratory syndrome (“SARS”), avian influenza, Influenza A (H1N1) and/or other communicable diseases, if uncontrolled, could affect our operations, as well as the operations of our clients and suppliers. Any occurrence of a pandemic, an epidemic or outbreak of other disease may have an adverse effect on our business operations including our ability to travel and deploy personnel for tasks. Further, in the event that any of our employees is infected or suspected to be infected with Ebola virus, SARS, avian influenza, Influenza A (H1N1) and/or other communicable diseases, we may be required to quarantine some of our employees and shut down part of our operations to prevent the spread of the disease. This would result in delays in the completion of our tasks.

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Failure to meet our clients' expectations could damage our reputation, and may, as a result, lead to loss of business and affect our ability to attract new business. An outbreak of Ebola virus, SARS, avian influenza, Influenza A (H1N1) and/or other communicable diseases could therefore have an adverse impact on our business, financial position, results of operations and prospects.

RISKS RELATING TO AN INVESTMENT IN OUR SHARES

Our Controlling Shareholders will retain significant control over our Company after the Placement, which will allow them to influence the outcome of matters submitted to Shareholders for approval

Upon the completion of the Placement, our Controlling Shareholders, being HCSS, Jessie Low and Shinex Capital, will directly own an aggregate of approximately 48.66% of our post-Placement share capital respectively. As a result, they will be able to exercise significant influence over matters requiring Shareholders' approval, including the election of directors and the approval of significant corporate transactions. They will also effectively have veto power with respect to any Shareholders' action or approval requiring a special resolution except where they are required by the Catalist Rules or other applicable regulations to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a takeover or change in control of our Group even if it may benefit the Shareholders.

An active trading market for our Shares may not develop and could affect the trading price of our Shares

Prior to the Placement, there has been no public market for our Shares. Although we have made an application to the SGX-ST for the listing and quotation of our Shares on Catalist, there is no assurance that a liquid market for our Shares will develop or be sustained after the Placement. If an active market for our Shares does not develop after the Placement, the market price and liquidity of our Shares may be adversely affected. The Placement Price may not necessarily be indicative of the market price of the Shares after the Placement and investors may not be able to sell their Shares at or above the Placement Price.

Investment in securities quoted on Catalist involves a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

An application has been made for our Shares to be listed for quotation on Catalist, a listing platform designed primarily for fast-growing and emerging or smaller companies to which a higher investment risk tends to be attached as compared to larger or more established companies listed on the Main Board of the SGX-ST. As such, an investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST. There is no assurance that an active or liquid trading market for our Shares will develop or be sustained after the Placement.

Pursuant to the Catalist Rules, we are required to, among others, retain a sponsor at all times after our admission to Catalist. In particular, unless approved by the SGX-ST, the Sponsor must act as our continuing sponsor for at least three (3) years after the admission of our Company to Catalist. Following the expiration of the three (3)-year period, there is no assurance that the Sponsor will continue to act as our sponsor or that we will be able to find a new sponsor. In the event that we do not have a sponsor for more than three (3) continuous months, we may be removed from the Official List of the SGX-ST.

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Our Share price may be volatile in future which could result in substantial losses for investors purchasing Shares pursuant to the Placement

The market price of our Shares may fluctuate significantly and rapidly as a result of, among others, the following factors, some of which are beyond our control:

- (a) variations in our financial or operating results;
- (b) fluctuations in stock market prices and volume;
- (c) changes in securities analysts' recommendations, perceptions and/or estimates of our financial performance;
- (d) changes in conditions affecting the industry, the general economic conditions or stock market sentiments;
- (e) announcements by our competitors or ourselves on significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments;
- (f) appointments or departures of key personnel;
- (g) involvement in litigation proceedings; and
- (h) material changes or uncertainty in the political, economic and regulatory environment in Singapore or elsewhere.

For these reasons, among others, our Shares may trade at prices that are higher or lower than the Placement Price. In addition, our Shares are not capital-safe products and there is no guarantee that investors of our Shares can realise a higher amount or even the principal amount of their investments.

Future sales by our existing Shareholders or issuance of our Shares by us may adversely affect the price of our Shares

Any future sale or issuance or availability of a large number of our Shares in the public market may adversely affect our Share price. The sale of a significant amount of our Shares in the public market after the Placement, or the perception that such sales may occur, may materially and adversely affect the market price of our Shares. These factors also affect our ability to sell additional equity securities. Save as disclosed under the section entitled "Shareholders – Moratorium" of this Offer Document and subject to our Constitution and all applicable laws and regulations, there will be no restriction on the ability of our Shareholders to sell their Shares either on the SGX-ST or otherwise. Our Share price may come under downward pressure if certain of our Shareholders sell their Shares upon the expiry of their moratorium periods.

Investors may not be able to participate in future issues of our Shares

In the event that we issue new Shares, we may elect not to offer those Shares to our existing Shareholders at the time of issue, except where we choose to conduct a rights issue. However, in electing to conduct a rights issue or certain other equity issues, we may be subject to regulations as to the procedures to be followed in making such rights offering available to our Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. In addition, we may choose not to offer rights issues or other equity issues to our Shareholders having an address in jurisdictions outside of Singapore.

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Accordingly, certain Shareholders may be unable to participate in future offerings of our Shares and may experience dilution of their shareholdings as a result.

Investors in our Shares will face immediate and substantial dilution in NAV per Share and may experience further dilution

Our Placement Price of S\$0.25 per Share is higher than our NAV per Share of S\$0.11 based on the post-Placement issued and paid-up share capital adjusted for the net proceeds from the issue of the New Shares. If we were liquidated immediately following the Placement, each investor subscribing for and/or purchasing the Placement Shares would receive less than the price he paid for the Shares. Please refer to the section entitled “Dilution” of this Offer Document for further details.

In addition, we may issue the Performance Shares and/or the Option Shares under the Performance Share Plan or the Share Option Scheme respectively. To the extent that such Performance Shares and/or Option Shares are issued, there may be further dilution to investors participating in the Placement. Please refer to the sections entitled “Share-based Incentive Plans”, “Appendix F – Rules of the Medinex Performance Share Plan” and “Appendix G – Rules of the Medinex Employee Share Option Scheme” of this Offer Document for further information.

Negative publicity involving our Group, any of our Directors, Executive Officers or Substantial Shareholders may adversely affect our Share price

Negative publicity or announcements involving our Group, any of our Directors, Executive Officers or Substantial Shareholders, may materially and adversely affect the market perception of our Group or the performance of our Shares, whether or not it is justified. Some examples include unsuccessful attempts in joint ventures, acquisitions or take-overs, or involvement in litigation or insolvency proceedings.

We may not be able to pay dividends in the future

Our ability to declare dividends to our Shareholders will depend on, among others, our future financial performance, distributable reserves and cash flows. This is in turn dependent on our ability to implement our future plans and on financial, competitive, regulatory, technical and other factors such as general economic conditions, demand for and selling prices of our products and services and other factors specific to our industry, many of which are beyond our control. As such, there is no assurance that we will be able to pay dividends to our Shareholders after the completion of the Placement.

For a description of our dividend policy, please refer to the section entitled “Dividend Policy” of this Offer Document.

USE OF PROCEEDS AND LISTING EXPENSES

Use of Proceeds

The estimated net proceeds to be raised by our Company and the Vendor from the Placement (comprising the New Shares and the Vendor Shares), after deducting the aggregate estimated cash expenses in relation to the Placement of approximately S\$1.22 million, will be approximately S\$6.28 million. We will not receive any of the proceeds from the Vendor Shares sold by the Vendor in the Placement.

Net proceeds from the issue of the New Shares

The net proceeds to be raised by our Company from the issue of the New Shares, after deducting our share of the estimated cash expenses to be borne by us of approximately S\$1.18 million, will be approximately S\$5.32 million.

We intend to use our net proceeds from the issue of the New Shares in the following manner:

Use of proceeds	Amount (S\$'000)	Estimated amount allocated for each dollar of the gross proceeds raised by our Company (as a% of the gross proceeds raised by our Company)
Expand our Group's business operations via acquisitions, joint ventures and/or strategic partnerships, including the expansion of our marketing and business development team and acquisition of Ark Leadership ⁽¹⁾	4,000	61.54
Working capital	1,316	20.25
Listing expenses to be borne by our Company	1,184	18.21
Total	6,500	100.00

Note:

- (1) Ark Leadership provides human resources consulting services to its clients, including our Group, and is wholly-owned by Valerie Low, who is also its sole director. Valerie Low is the sister of Jessie Low, our Executive Director and Chief Executive Officer. We had entered into the Ark Leadership ROFR Agreement and obtained a right of first refusal in relation to the entire issued and paid-up share capital of Ark Leadership.

Further details of our use of proceeds may be found in the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document.

The abovementioned represents the best estimate of our allocation of the net proceeds from the issue of the New Shares based on our current plans and estimates regarding our anticipated expenditures. Our actual expenditures may vary from these estimates and we may find it necessary or advisable to reallocate the proceeds within the categories described above or to use portions of the proceeds for other purposes. In the event we decide to reallocate such proceeds for other purposes, we will publicly announce our intention to do so through a SGXNET announcement on the internet at the SGX-ST website at <http://www.sgx.com>. In addition, we will make periodic announcements on the use of the proceeds from the Placement as and when the proceeds from the Placement are materially disbursed, and provide a status report on the use of the proceeds from the Placement in our annual reports.

Pending the deployment of the net proceeds from the issue of New Shares as aforesaid, the funds will be placed in short-term deposits or invested in money making instruments as our Directors may, in their absolute discretion, deem fit.

USE OF PROCEEDS AND LISTING EXPENSES

Our Directors are of the opinion that there is no minimum amount which must be raised from the Placement.

None of the proceeds of the Placement will be used to discharge, reduce or retire any indebtedness of our Group.

Net proceeds from the sale of the Vendor Shares

The net proceeds attributable to the Vendor from the sale of the Vendor Shares, after deducting the Vendor's share of the expenses of approximately S\$0.04 million, will be approximately S\$0.96 million.

Listing Expenses

The estimated expenses payable by us in connection with the Placement and the application for the Listing, including the placement commission, management fees, legal and audit fees, fees payable to the SGX-ST and all other incidental expenses in relation to the Placement are estimated to amount to approximately S\$1.18 million. The aggregate Placement commission will be borne by the Vendor and us in the Agreed Proportion.

For each Singapore dollar of the proceeds from the Placement raised by our Company, approximately 18.21 Singapore cents will be used to pay for expenses incurred in connection with the Listing. A breakdown of these expenses is as follows:

Expenses borne by our Company	Estimated Amount (S\$'000)	Estimated amount allocated for each dollar of the gross proceeds raised by our Company (as a% of the gross proceeds raised by our Company)
Listing and application fees	60	0.92
Professional fees ⁽¹⁾	794	12.21
Placement commission ⁽²⁾	228	3.51
Miscellaneous expenses	102	1.57
Total	1,184	18.21

Notes:

- (1) These refer to the cash expenses payable by us in connection with the Placement and excludes the management fee of S\$300,000 which is part of the fee payable to the Sponsor and Issue Manager pursuant to the Management Agreement which will be satisfied in full by the allotment and issue of 1,200,000 NCF Shares at the Placement Price. Please refer to the section entitled "Shareholders" of this Offer Document for more details.
- (2) The amount of placement commission per Placement Share, agreed upon between the Placement Agent, our Company and the Vendor, is 3.50% of the Placement Price payable for each Placement Share. Please refer to the section entitled "General and Statutory Information – Management and Placement Arrangements" of this Offer Document for more details.

Subscribers and/or purchasers of the Placement Shares will be required by the Placement Agent to pay brokerage of up to 1.00% of the Placement Price (and the prevailing GST thereon, if applicable) to the Placement Agent.

DIVIDEND POLICY

Our Company was incorporated on 12 January 2009. Save as disclosed below, no Group Company has declared or paid dividends during the Period Under Review:

Group Company	Dividends paid in respect of					
	FY2015		FY2016		FY2017	
	Total (S\$'000)	Per share (S\$)	Total (S\$'000)	Per share (S\$) (approximate)	Total (S\$'000)	Per share (S\$) (approximate)
Company	240.00	120,000.00	150.00	15.00	200.00	20.00
Medinex Healthcare	100.00	10.00	440.05	44.00	350.00	35.00
MCS	122.00	12.20	150.00	15.00	410.00	41.00

Our Directors currently intend to recommend and distribute dividends of no less than 70% of our net profit after tax attributable to owners of our Company for each of FY2018, FY2019 and FY2020 (the “**Proposed Dividends**”) as we wish to reward Shareholders for participating in our Group’s growth. However, investors should note that the foregoing statements including the statement on the Proposed Dividends are merely statements of our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) in our Directors’ sole and absolute discretion.

While our Directors intend to recommend and distribute the Proposed Dividends, we currently do not have a fixed dividend policy. The form, frequency and amount of future dividends on our Shares that our Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below, as well as any other factors deemed relevant by our Directors:

- (a) the level of our cash and retained earnings;
- (b) our actual and projected financial performance;
- (c) our projected levels of capital expenditure and expansion plans;
- (d) our working capital requirements and general financing condition; and
- (e) restrictions on payment of dividends imposed on us by our financing arrangements (if any).

The amount of dividends declared and paid by us in the past should not be taken as an indication of the dividends payable in the future. No inference shall or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends in any of the periods discussed. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

Subject to our Constitution and in accordance with the Companies Act, we may declare an annual dividend subject to the approval of our Shareholders in a general meeting but the amount of such dividend shall not exceed the amount recommended by our Directors. Our Directors may also declare an interim dividend without the approval of our Shareholders. Our Company must pay all dividends to our Shareholders out of our profits.

DIVIDEND POLICY

All dividends are paid *pro rata* among the Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attached to an issue of any Shares provides otherwise. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

Information relating to taxes payable on dividends is set out in the section entitled "Taxation" of this Offer Document.

SHARE CAPITAL

Our Company (Company Registration Number: 200900689W) was incorporated in Singapore on 12 January 2009 under the Companies Act as a company limited by shares under the name “JK Bizcomp Pte. Ltd.”. Subsequently, we were renamed “JK Advisors Pte. Ltd.” and “JK Group Solutions Pte. Ltd.”. On 2 May 2017, we were renamed “Medinex Pte. Ltd.”. On 9 November 2018, our Company was converted into a public company and was renamed “Medinex Limited”.

Our issued and paid-up share capital as at the date of incorporation was S\$2 comprising 2 Shares. As at the date of this Offer Document, our issued and paid-up share capital is S\$4,748,002, comprising 104,007,540 Shares.

Pursuant to the Shareholders’ resolutions passed by our Shareholders on 9 November 2018, our Shareholders approved, *inter alia*, the following:

- (a) the conversion of our Company into a public company limited by shares and the change of our name to “Medinex Limited”;
- (b) adoption of the new Constitution;
- (c) the Share Split;
- (d) the allotment and issue of the 26,000,000 New Shares pursuant to the Placement, which when allotted, issued and fully paid, will rank *pari passu* in all respects with the existing issued Shares;
- (e) the allotment and issue of the 1,200,000 NCF Shares to NCF in part satisfaction of their professional fees as Sponsor and Issue Manager;
- (f) the adoption of the Performance Share Plan, details of which are set out in the section entitled “Share-based Incentive Plans – Medinex Performance Share Plan” of this Offer Document;
- (g) the adoption of the Share Option Scheme, details of which are set out in the section entitled “Share-based Incentive Plans – Medinex Employee Share Option Scheme” of this Offer Document;
- (h) the authority be given to our Directors to allot and issue Shares upon the grant of Awards under the Performance Share Plan and the exercise of all Options granted under the Share Option Scheme;
- (i) the listing and quotation of all the issued Shares (including the Vendor Shares), the New Shares, the NCF Shares, the Performance Shares and the Option Shares to be issued on Catalist;
- (j) the authority be given to our Directors, pursuant to Section 161 of the Companies Act, to:
 - (A) (i) issue Shares whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares;

SHARE CAPITAL

- (iii) notwithstanding that such authority may have ceased to be in force at the time that Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit,

- (B) issue Shares in pursuance of any Instrument made or granted by our Directors pursuant to (j)(A)(ii) and/or (j)(A)(iii) above, while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution), provided that:
 - (1) the aggregate number of Shares to be issued pursuant to such authority (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to such authority) shall not exceed 100.0% of the total number of issued Shares (excluding treasury shares) in the capital of our Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a *pro rata* basis to existing Shareholders shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares) in the capital of our Company (as calculated in accordance with sub-paragraph (2) below);
 - (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of Shares that may be issued shall be based on the total number of issued Shares of our Company (excluding treasury shares) immediately after the Placement, after adjusting for: (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities; (b) new Shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of such authority, provided that the options or awards were granted in compliance with the Catalist Rules; and (c) any subsequent bonus issue, consolidation or sub-division of Shares;
 - (3) in exercising such authority, our Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company; and
 - (4) unless revoked or varied by our Company in general meeting, such authority shall continue in force from the date of our admission to Catalist until (a) the conclusion of the next annual general meeting of our Company or (b) the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier; and

SHARE CAPITAL

- (k) without prejudice to the generality of, pursuant and subject to the approval of the general mandate to issue Shares set out in (j) above, any Director be and is hereby authorised to issue Shares other than on a *pro rata* basis to the Shareholders, at a discount not exceeding 10.0% of the weighted average price of the Shares for trades done on the SGX-ST for the full Market Day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding Market Day up to the time the placement or subscription agreement is signed), at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit, provided that:
- (1) in exercising such authority so conferred in this paragraph (k), our Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of our Company; and
 - (2) unless revoked or varied by our Company in general meeting, the authority so conferred in this paragraph (k) shall continue in force until the conclusion of the next annual general meeting of our Company or the date by which the next annual general meeting of our Company is required by law to be held, whichever is the earlier.

As at the date of this Offer Document, there is only one (1) class of Shares in the capital of our Company, being ordinary shares. A summary of the Constitution of our Company relating to, among others, the voting rights and privileges of our Shareholders is set out in the section entitled “Appendix D – Selected Extracts of our Constitution” to this Offer Document.

Save for the Performance Shares and the Option Shares, there are no founder, management, deferred or unissued Shares reserved for issuance for any purpose. The Placement Shares shall have the same interest and voting rights as our existing issued Shares that were issued prior to this Placement and there are no restrictions to the free transferability of our Shares.

Save for the Options which may be granted under the Share Option Scheme, no person has, or has the right to be given, an option to subscribe for or purchase any securities of our Company or any of our subsidiaries. No participant has been identified and/or granted an Award for any Performance Shares by the Administration Committee pursuant to the Performance Share Plan. As at the Latest Practicable Date, no option to subscribe for Shares in our Company has been granted to, or was exercised by, any of our Directors or Executive Officers.

Upon the allotment and issue of the New Shares and the NCF Shares, the resultant issued and paid-up share capital of our Company will be increased to S\$11,089,614 comprising 131,207,540 Shares.

SHARE CAPITAL

Details of the changes in the issued and paid-up share capital of our Company since incorporation and the resultant issued and paid-up share capital immediately after the Placement are set out below:

	Issued Shares	Issued and paid-up share capital (\$)
Issued and fully paid-up Shares as at the date of incorporation of our Company	2	2
Issue of 10,000 new Shares to Karun Letchumanan on 8 September 2016	10,000	10,000
Issue of 4,053 new Shares to the Nex Vendors on 9 November 2017 pursuant to the Nex SPA	4,053	500,000
Issue of 597 new Shares to John Tan on 9 November 2017 pursuant to the Medinex 27 October 2017 Subscription Agreement	597	48,000
Issue of 2,388 new Shares to HCSS and Shinex Capital on 30 November 2017 pursuant to the Medinex 14 November 2017 Subscription Agreement	2,388	2,000,000
Issue of 1,566 new Shares to John Tan, Chai Yee Hoi and Koo Poh Heng Andre on 5 November 2018 pursuant to the Restructuring Agreement	1,566	2,190,000
Issued and paid-up share capital immediately after the Restructuring Exercise	18,606	4,748,002
Share Split	104,007,540	4,748,002
Issued and paid-up share capital immediately before the Placement	104,007,540	4,748,002
Issue of 1,200,000 NCF Shares	1,200,000	300,000
Issue of New Shares pursuant to the Placement	26,000,000	6,041,612 ⁽¹⁾
Post-Placement issued and paid-up share capital	131,207,540	11,089,614

Note:

(1) Takes into account the set-off of our Company's share of the estimated listing expenses of approximately S\$0.46 million against share capital.

SHARE CAPITAL

The issued share capital and the shareholders' equity of our Company after adjustments to reflect the allotment and issue of new Shares pursuant to the Restructuring Exercise and the allotment and issue of the NCF Shares and the New Shares are set forth below. This should be read in conjunction with the "Independent Auditors' Report and Audited Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Years Ended 31 December 2015, 2016 and 2017", the "Independent Auditors' Review Report and Unaudited Interim Condensed Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Period from 1 January 2018 to 30 June 2018" and the "Independent Auditors' Assurance Report and Unaudited *Pro Forma* Combined Financial Information of Medinex Limited and its Subsidiaries for the Financial Year Ended 31 December 2017 and for the Financial Period from 1 January 2018 to 30 June 2018" as set out in Appendices A, B and C respectively to this Offer Document.

	As at Incorporation	As at 30 June 2018	After the Restructuring Exercise, the Share Split and the issue of the NCF Shares	After the Placement
Issued and fully paid-up Shares (number of shares)	2	17,040	105,207,540	131,207,540
Issued and fully paid-up share capital (S\$) ⁽¹⁾	2	5,627,237	8,117,237	14,158,849 ⁽²⁾
Retained earnings (S\$)	—	1,552,591	1,252,591	528,939 ⁽³⁾
Equity attributable to owners of our Company (S\$)	2	7,179,828	9,369,828	14,687,788
Non-controlling interest (S\$)	—	42,199	42,199	42,199
Total equity (S\$)	—	7,222,027	9,412,027	14,729,987

Notes:

- (1) This takes into account the fair value adjustment in share capital amounting to S\$3,069,234 which relates to the issue of Shares to the Nex Vendors on 9 November 2017 in accordance with FRS 103 *Business Combination*.
- (2) Takes into account the set-off of our Company's share of the estimated listing expenses of approximately S\$0.46 million against share capital. The remaining share of the estimated listing expenses of approximately S\$1.02 million will be charged directly to the income statement.
- (3) Includes the estimated listing expenses of approximately S\$1.02 million.

Save as disclosed above, there have been no other changes in the share capital of our Company since the date of incorporation.

SHARE CAPITAL

Save as set out in this section, the section entitled “Restructuring Exercise” of this Offer Document and in the following table, there were no changes in the issued and paid-up share capital or the number and classes of shares of our Company and/or our subsidiaries within the last three (3) years preceding the Latest Practicable Date:

Our Company

Date of issue	Number of Share(s) issued	Subscription price/ consideration	Purpose of issue	Resultant issued share capital
8 September 2016	10,000	S\$10,000	Working capital	S\$10,002 comprising 10,002 Shares
9 November 2017	4,053	S\$500,000	Consideration shares issued to Nex Vendors for the acquisition of Nex pursuant to the Nex SPA	S\$510,002 comprising 14,055 Shares
9 November 2017	597	S\$48,000	Working capital	S\$558,002 comprising 14,652 Shares
30 November 2017	2,388	S\$2,000,000	Working capital	S\$2,558,002 comprising 17,040 Shares
5 November 2018	1,566	S\$2,190,000	Consideration shares issued to John Tan, Chai Yee Hoi and Koo Poh Heng Andre pursuant to the Restructuring Agreement	S\$4,748,002 comprising 18,606 Shares

Nex

Date of issue	Number of Share(s) issued	Subscription price/ consideration	Purpose of issue	Resultant issued share capital
5 July 2017	100	S\$100	Initial subscription at incorporation	S\$100 comprising 100 shares
27 October 2017	1,000,000	S\$1,858,000	Issue of shares to the Nex Vendors pursuant to the Nex JVA	S\$1,858,100 comprising 1,000,100 shares

SHARE CAPITAL

Patceljon

Date of issue	Number of Share(s) issued	Subscription price/ consideration	Purpose of issue	Resultant issued share capital
30 December 2015	15,000	S\$15,000	Bonus shares pursuant to capitalisation of company's retained earnings	S\$15,003 comprising 15,003 shares

Save as disclosed in this section and the section entitled “Restructuring Exercise” of this Offer Document, no share in or debenture of our Company or our subsidiaries have been issued, or is proposed to be issued, as fully or partly paid-up for cash, or for a consideration other than cash.

SHAREHOLDERS

SHAREHOLDING AND OWNERSHIP STRUCTURE

The Directors and Substantial Shareholders of our Company and their respective shareholdings immediately before and after the Placement (as at the date of this Offer Document) are summarised below:

	Before the Placement				After the Placement			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
John Tan ⁽¹⁾	11,269,440	10.84	–	–	11,269,440	8.59	–	–
Jessie Low	27,089,140	26.04	–	–	27,089,140	20.65	–	–
Lim Tai Toon	–	–	–	–	–	–	–	–
San Wee	–	–	–	–	–	–	–	–
Substantial Shareholders (other than Directors)								
HCSS ⁽²⁾⁽³⁾	34,071,050	32.76	12,460,110	11.98	30,071,050	22.92	12,460,110	9.50
Shinex Capital ⁽¹⁾⁽²⁾⁽⁴⁾	6,674,460	6.42	12,460,110	11.98	6,674,460	5.09	12,460,110	9.50
HSN Healthcare ⁽²⁾	12,460,110	11.98	–	–	12,460,110	9.50	–	–
Dr. Heah ⁽³⁾	–	–	34,071,050	32.76	–	–	30,071,050	22.92
Dr. Chia ⁽³⁾	–	–	34,071,050	32.76	–	–	30,071,050	22.92
JILB International ⁽²⁾	–	–	12,460,110	11.98	–	–	12,460,110	9.50
Shine Medi-Capital ⁽⁴⁾	–	–	6,674,460	6.42	–	–	6,674,460	5.09
Sia Ling Sing ⁽⁴⁾	–	–	6,674,460	6.42	–	–	6,674,460	5.09
Lim Ewe Ghee ⁽⁴⁾	–	–	6,674,460	6.42	–	–	6,674,460	5.09
Tan Tin Nam ⁽¹⁾	–	–	6,674,460	6.42	–	–	6,674,460	5.09
Other Shareholders								
Chai Yee Hoi	1,498,120	1.44	–	–	1,498,120	1.14	–	–
Dr. Tan Teck Jack	4,997,460	4.80	–	–	4,997,460	3.81	–	–
Dr. Chee Boon Ping	3,750,890	3.61	–	–	3,750,890	2.86	–	–
Dr. Goh Tze Chien, Kelvin (Wu Zhijian, Kelvin)	1,330,420	1.28	–	–	1,330,420	1.01	–	–
Dr. Wee Lay Kuan Amy	117,390	0.11	–	–	117,390	0.09	–	–
Koo Poh Heng Andre	749,060	0.72	–	–	749,060	0.57	–	–
NCF	–	–	–	–	1,200,000	0.91	–	–
Public Shareholders	–	–	–	–	30,000,000	22.86	–	–
Total	104,007,540	100.00			131,207,540	100.00		

Notes:

- (1) Tan Tin Nam, the father of John Tan, our Non-executive Chairman, holds 66.67% of the total issued and paid-up share capital of Shine Medi-Capital which in turn hold 37.50% of the total issued and paid-up share capital of Shinex Capital, and accordingly pursuant to Section 4 of the SFA, would be treated as having an interest in the 5.09% of the total issued and paid-up post-Placement share capital of our Company held by Shinex Capital. John Tan, our Non-executive Chairman, holds the remaining 33.33% of the total issued and paid-up share capital of Shine Medi-Capital.

SHAREHOLDERS

- (2) HCSS, JILB International and Shinex Capital hold 40.0%, 20.0% and 40.0% respectively of the total issued and paid-up share capital of HSN Healthcare, and accordingly pursuant to Section 4 of the SFA, would each be treated as having an interest in the 9.50% of the total issued and paid-up post-Placement share capital of our Company held by HSN Healthcare.

The shareholders of JILB International are Dr. Tan Teck Jack, Lee Kim Hung (our Chief Operating Officer), Dr. Chee Boon Ping and Dr. Goh Tze Chien, Kelvin (Wu Zhijian, Kelvin).

- (3) Dr. Heah and Dr. Chia hold approximately 42.76% and 23.23% respectively of the total issued and paid-up share capital of HCSS, and accordingly pursuant to Section 4 of the SFA, would each be treated as having an interest in the 22.92% of the total issued and paid-up post-Placement share capital of our Company held by HCSS.
- (4) Shine Medi-Capital, Sia Ling Sing and Lim Ewe Ghee hold 37.50%, 25.00% and 37.50% respectively of the total issued and paid-up share capital of Shinex Capital, and accordingly pursuant to Section 4 of the SFA, would each be treated as having an interest in the 5.09% of the total issued and paid-up post-Placement share capital of our Company held by Shinex Capital. Sia Ling Sing and Lim Ewe Ghee are not related to any of our Directors, Substantial Shareholders or Executive Officers.

Save as disclosed above, there are no relationships among our Directors, Substantial Shareholders and Executive Officers.

As at the Latest Practicable Date, our Company has only one (1) class of shares, being our Shares which are in registered form. There is no restriction on the transfer of fully paid Shares in scripless form except where required by law or the Catalist Rules and as described in the section entitled “Shareholders – Moratorium” of this Offer Document.

The Shares held by our Directors and Substantial Shareholders do not carry voting rights that are different from the Placement Shares.

Our Directors are not aware of any arrangement, the operation of which may, at a subsequent date, result in a change in control of our Company. There has been no public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or units of business trust which has occurred between the date of the incorporation of our Company to the Latest Practicable Date.

Save as disclosed above, our Company is not directly or indirectly owned or controlled, whether jointly or severally by any other corporation, government or person.

There are no Shares in our Company that are held by or on behalf of our Company or by the subsidiaries of our Company.

SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed in the sections entitled “Share Capital”, “Restructuring Exercise” and “General and Statutory Information – Share Capital” of this Offer Document, there were no significant changes in the percentage of ownership of Shares in our Company within the last three (3) years preceding the Latest Practicable Date.

SHAREHOLDERS

VENDOR

The Vendor is a Controlling Shareholder of our Company and a company listed on Catalist. The registered office of the Vendor is at 80 Robinson Road, #02-00, Singapore 068898, and its business address is 233 River Valley Road, #B1-04/05 RV Point, Singapore 238291.

The number of Vendor Shares which the Vendor will offer pursuant to the Placement are set out below:

	Shares held immediately before the Placement		Vendor Shares offered pursuant to the Placement			Shares held after the Placement	
	Number of Shares	% of pre-Placement share capital	Number of Shares	% of pre-Placement share capital	% of post-Placement share capital	Number of Shares	% of post-Placement share capital
HCSS	34,071,050	32.76	4,000,000	3.85	3.05	30,071,050	22.92

MORATORIUM

Jessie Low

To demonstrate her commitment to our Group, Jessie Low, our Executive Director and Chief Executive Officer, who holds 27,089,140 Shares representing approximately 20.65% of the issued and paid-up share capital of our Company immediately after the Placement, has undertaken not to, directly or indirectly, sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of (“**Disposal**”) or enter into any agreement that will directly or indirectly constitute or will be deemed as a Disposal of (a) any part of her interests in our Company (adjusted for any bonus issue or sub-division of our Company’s Shares) for a period of six (6) months commencing from the date of our admission to Catalist (the “**Initial Period**”); and (b) 50.0% of her original shareholdings (adjusted for any bonus issue or sub-division of our Company’s Shares) for a period of six (6) months thereafter.

HCSS

To demonstrate its commitment to our Group, HCSS, which holds 30,071,050 Shares representing approximately 22.92% of the issued and paid-up share capital of our Company immediately after the Placement, has undertaken not to, directly or indirectly, effect a Disposal or enter into any agreement that will directly or indirectly constitute or will be deemed as a Disposal of (a) any part of its interests in our Company (adjusted for any bonus issue or sub-division of our Company’s Shares) for the Initial Period; and (b) 50.0% of its original shareholdings (adjusted for any bonus issue or sub-division of our Company’s Shares) for a period of six (6) months thereafter.

Shinex Capital and HSN Healthcare

To demonstrate their commitment to our Group, Shinex Capital and HSN Healthcare, which respectively hold 6,674,460 Shares and 12,460,110 Shares representing approximately 5.09% and 9.50% respectively of the issued and paid-up share capital of our Company immediately after the Placement (excluding any Placement Shares that may be allotted and/or allocated to Shinex Capital pursuant to the Placement), have each undertaken not to, directly or indirectly, effect a Disposal or enter into any agreement that will directly or indirectly constitute or will be deemed as a Disposal of (a) any part of their respective interests (including such Placement Shares that may be allotted and/or allocated to Shinex Capital pursuant to the Placement) in our Company

SHAREHOLDERS

(adjusted for any bonus issue or sub-division of our Company's Shares) for the Initial Period; and (b) 50.0% of their respective original shareholdings (including such Placement Shares that may be allotted and/or allocated to Shinex Capital pursuant to the Placement) (adjusted for any bonus issue or sub-division of our Company's Shares) for a period of six (6) months thereafter.

Shareholders of Shinex Capital and HSN Healthcare

Shinex Capital

- (a) Shine Medi-Capital, Sia Ling Sing and Lim Ewe Ghee, which/who respectively hold 37.50%, 25.00% and 37.50% of the issued and paid-up share capital of Shinex Capital, have each undertaken not to, directly or indirectly, effect a Disposal or enter into any agreement that will directly or indirectly constitute or will be deemed as a Disposal of any part of their respective interests in Shinex Capital for a period of 12 months commencing from the date of our admission to Catalist;
- (b) John Tan and Tan Tin Nam, who respectively hold approximately 33.33% and 66.67% of the issued and paid-up share capital of Shine Medi-Capital, have each undertaken not to, directly or indirectly, effect a Disposal or enter into any agreement that will directly or indirectly constitute or will be deemed as a Disposal of any part of their respective interests in Shine Medi-Capital for a period of 12 months commencing from the date of our admission to Catalist;

HSN Healthcare

- (a) HCSS, Shinex Capital and JILB International, which respectively hold 40.00%, 40.00% and 20.00% of the issued and paid-up share capital of HSN Healthcare, have each undertaken not to, directly or indirectly, effect a Disposal or enter into any agreement that will directly or indirectly constitute or will be deemed as a Disposal of any part of their respective interests in HSN Healthcare for a period of 12 months commencing from the date of our admission to Catalist; and
- (b) Dr. Tan Teck Jack, Lee Kim Hung (our Chief Operating Officer), Dr. Chee Boon Ping and Dr. Goh Tze Chien, Kelvin (Wu Zhijian, Kelvin), who respectively hold 45.00%, 35.00%, 10.00% and 10.00% of the issued and paid-up share capital of JILB International, have each undertaken not to, directly or indirectly, effect a Disposal or enter into any agreement that will directly or indirectly constitute or will be deemed as a Disposal of any part of their respective interests in JILB International for a period of 12 months commencing from the date of our admission to Catalist.

Other Shareholders

To demonstrate their commitment to our Group, John Tan (our Non-executive Chairman), Chai Yee Hoi (our MD (AccTax)), Dr. Tan Teck Jack, Dr. Chee Boon Ping, Dr. Goh Tze Chien, Kelvin (Wu Zhijian, Kelvin), Dr. Wee Lay Kuan Amy and Koo Poh Heng Andre, who respectively hold 11,269,440 Shares, 1,498,120 Shares, 4,997,460 Shares, 3,750,890 Shares, 1,330,420 Shares, 117,390 Shares and 749,060 Shares representing approximately 8.59%, 1.14%, 3.81%, 2.86%, 1.01%, 0.09% and 0.57% of the issued and paid-up share capital of our Company immediately after the Placement, have each undertaken not to, directly or indirectly, effect a Disposal or enter into any agreement that will directly or indirectly constitute or will be deemed as a Disposal of (a) any part of their respective interests in our Company (adjusted for any bonus issue or sub-division of our Company's Shares) for the Initial Period; and (b) 50.0% of their respective original shareholdings (adjusted for any bonus issue or sub-division of our Company's Shares) for a period of six (6) months thereafter.

DILUTION

Dilution is the amount by which the Placement Price paid by the subscribers and/or purchasers of our Shares in this Placement exceeds our NAV per Share of our Group immediately after the Placement. Our unaudited *pro forma* NAV per Share as at 30 June 2018 before adjusting for the estimated net proceeds due to our Company from the Placement and based on the pre-Placement issued and paid-up share capital of 104,007,540 Shares was 9.25 cents per Share.

Pursuant to the Placement of 30,000,000 Placement Shares at the Placement Price and the issue of 1,200,000 NCF Shares, our unaudited *pro forma* NAV per Share after adjusting for the estimated net proceeds due to our Company from the Placement and based on the post-Placement issued and paid-up share capital of 131,207,540 Shares would have been 11.39 cents. This represents an immediate increase in NAV per Share of 2.14 cents to our existing Shareholders and an immediate dilution in NAV per Share of 13.61 cents or approximately 54.44% to our new public investors.

The following table illustrates the dilution per Share as at 30 June 2018:

	Cents
Placement Price for each Share	25.00
NAV per Share based on the pre-Placement ordinary share capital comprising 104,007,540 Shares	9.25
Increase in NAV per Share attributable to existing Shareholders	2.14
NAV per Share after the issue of New Shares and based on the post-Placement share capital comprising 131,207,540 Shares	11.39
Dilution in NAV per Share to new public investors	13.61
Dilution in NAV per Share to new public investors (%)	54.44

The following table summarises the total number of Shares acquired by and/or issued to our existing Shareholders since the incorporation of our Company to the date of lodgement of this Offer Document, the total consideration and the average effective cash cost per Share to them and to the new public investors who subscribe for and/or purchase the Placement Shares pursuant to the Placement:

	Number of Shares	Aggregate consideration (S\$)	Average effective cash cost per Share (cents)
Existing Shareholders			
John Tan	12,638,990 ⁽¹⁾	1,675,501.00	13.26
Jessie Low	53,116,181 ⁽¹⁾	10,002.00	0.02
HCSS	34,071,050	5,316,000.00	15.60
Shinex Capital	6,674,460	1,000,000.00	14.98
HSN Healthcare	12,460,110	275,000.00	2.21

DILUTION

	Number of Shares	Aggregate consideration (S\$)	Average effective cash cost per Share (cents)
Chai Yee Hoi	1,498,120	375,000.00	25.03
Dr. Tan Teck Jack	4,997,460	110,249.98	2.21
Dr. Chee Boon Ping	3,750,890	82,799.72	2.21
Dr. Goh Tze Chien, Kelvin (Wu Zhijian, Kelvin)	1,330,420	29,362.56	2.21
Dr. Wee Lay Kuan Amy	117,390	2,587.74	2.20
Koo Poh Heng Andre	749,060	187,500.00	25.03
NCF ⁽²⁾	1,200,000	300,000	25.00
New public Shareholders	30,000,000	7,500,000	25.00

Notes:

- (1) This takes into account all the Shares acquired by and/or issued to John Tan and Jessie Low since the incorporation of our Company to the date of lodgement of this Offer Document, and hence includes the number of Shares sold and/or transferred by John Tan and/or Jessie Low to other Shareholders during this period.
- (2) Pursuant to the Management Agreement and as part of NCF's management fees as the Sponsor and Issue Manager, our Company allotted and issued to NCF 1,200,000 NCF Shares, representing approximately 0.91% of the issued and paid-up share capital of our Company immediately after the Placement.

Save as disclosed above and in the sections entitled "Share Capital", "Shareholders", "Restructuring Exercise" and "General and Statutory Information – Share Capital" of this Offer Document, none of our Directors or Substantial Shareholders of our Company or their respective Associates has acquired any Shares during the period of three (3) years prior to the date of this Offer Document.

SELECTED COMBINED FINANCIAL INFORMATION

The following financial information of our Group should be read in conjunction with the full text of this Offer Document, including the sections entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position”, the “Independent Auditors’ Report and Audited Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Years Ended 31 December 2015, 2016 and 2017” as set out in Appendix A to this Offer Document, the “Independent Auditors’ Review Report and Unaudited Interim Condensed Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Period from 1 January 2018 and 30 June 2018” as set out in Appendix B to this Offer Document and the “Independent Auditors’ Assurance Report and Unaudited Pro Forma Combined Financial Information of Medinex Limited and its Subsidiaries for the Financial Year Ended 31 December 2017 and for the Financial Period from 1 January 2018 to 30 June 2018” as set out in Appendix C to this Offer Document.

The *pro forma* adjustments were made based on the following assumptions:

- (a) the effect of adoption of SFRS (I) 15 and SFRS (I) 9 from 1 January 2017, being the beginning of FY2017;
- (b) the acquisition of the entire issued and paid-up share capital of Nex had taken place on 5 July 2017, being the date of incorporation of Nex; and
- (c) the acquisition of the entire issued and paid-up share capital of AccTax, Patceljon and Jo-L had taken place on 1 January 2017, being the beginning of FY2017.

A summary of the audited combined financial statements of our Group in respect of the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017, the unaudited interim condensed combined financial statements of our Group in respect of the financial period ended 30 June 2017 and 30 June 2018 and the unaudited *pro forma* combined financial information of our Group in respect of the financial year ended 31 December 2017 and the financial period from 1 January 2018 to 30 June 2018 is set out below:

Results of operations of our Group

(S\$'000)	← Audited →			← Unaudited →		← Unaudited Pro Forma →	
	FY2015	FY2016	FY2017	HY2017	HY2018	FY2017	HY2018
Revenue	1,366	1,762	3,043	1,102	4,459	5,473	4,941
Other items of income							
Other income	81	70	17	9	43	56	43
Items of expense							
Changes in inventories	–	–	(40)	–	63	(11)	63
Inventories and consumables	–	–	(450)	–	(1,707)	(1,235)	(1,707)
Employee benefits expense	(622)	(628)	(1,165)	(347)	(1,208)	(2,083)	(1,371)

SELECTED COMBINED FINANCIAL INFORMATION

(S\$'000)	← Audited →			← Unaudited →		Unaudited ← Pro Forma →	
	FY2015	FY2016	FY2017	HY2017	HY2018	FY2017	HY2018
Depreciation and amortisation expenses	(19)	(29)	(29)	(13)	(31)	(64)	(36)
Other expenses	(296)	(389)	(373)	(115)	(440)	(764)	(517)
Finance cost	–	(11)	(1)	–	(1)	(3)	(1)
Profit before income tax	510	775	1,002	636	1,178	1,369	1,415
Income tax expense	(23)	(30)	(56)	(53)	(103)	(62)	(103)
Profit for the financial year/ period, representing total comprehensive income for the financial year/ period	487	745	946	583	1,075	1,307	1,312
Profit and total comprehensive income attributable to:							
Owners of our Company ⁽¹⁾	487	745	946	583	1,057	1,307	1,312
Non-controlling interests	–	–	–	–	18	–	–
	487	745	946	583	1,075	1,307	1,312
EPS ⁽²⁾ (cents)	0.47	0.72	0.91	0.56	1.02	1.26	1.26
Adjusted EPS ⁽³⁾ (cents)	0.37	0.57	0.72	0.44	0.81	1.00	1.00

Notes:

- (1) Had the Service Agreements (as described in the section entitled “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document) been in place since 1 January 2017, our *pro forma* profit before income tax, *pro forma* profit attributable to owners of our Company and *pro forma* adjusted EPS for FY2017 based on our post-Placement share capital of 131,207,540 Shares would have been approximately S\$1.18 million, S\$1.13 million and 0.86 cents respectively.
- (2) For illustrative purposes, the EPS for the financial periods under review have been computed based on profit attributable to owners of our Company and the pre-Placement share capital of 104,007,540 Shares.
- (3) For illustrative purposes, the adjusted EPS for the financial periods under review have been computed based on profit attributable to owners of our Company and the post-Placement share capital of 131,207,540 Shares.

SELECTED COMBINED FINANCIAL INFORMATION

Financial position of our Group

(S\$'000)	Audited as at 31 December 2017	Unaudited as at 30 June 2018	Unaudited <i>Pro Forma</i> as at 31 December 2017	Unaudited <i>Pro Forma</i> as at 30 June 2018
ASSETS				
Non-current assets				
Plant and equipment	96	92	107	93
Intangible assets	2,440	2,824	5,709	5,629
Advance payments	–	1,079	–	–
Available-for-sale financial asset	–	–	1	1
	2,536	3,995	5,817	5,723
Current assets				
Inventories	452	515	452	515
Trade and other receivables	950	1,034	1,295	1,149
Prepayments	7	15	15	16
Fixed deposit	1,600	400	1,600	400
Cash and bank balances	1,467	2,384	2,176	2,977
	4,476	4,348	5,538	5,057
Total assets	7,012	8,343	11,355	10,780
EQUITY AND LIABILITIES				
Equity				
Share capital	5,627	5,627	7,816	7,816
Retained earnings	483	1,553	871	1,809
Equity attributable to owners of our Company	6,110	7,180	8,687	9,625
Non-controlling interest	–	42	–	–
Total equity	6,110	7,222	8,687	9,625
Non-current liabilities				
Finance lease payables	2	6	2	6
Deferred tax liabilities	8	14	7	17
	10	20	9	23

SELECTED COMBINED FINANCIAL INFORMATION

(S\$'000)	Audited as at 31 December 2017	Unaudited as at 30 June 2018	Unaudited <i>Pro Forma</i> as at 31 December 2017	Unaudited <i>Pro Forma</i> as at 30 June 2018
Current liabilities				
Trade and other payables	814	947	2,554	966
Finance lease payables	23	17	35	17
Current income tax payable	55	137	70	149
	892	1,101	2,659	1,132
Total liabilities	902	1,121	2,668	1,155
Total equity and liabilities	7,012	8,343	11,355	10,780
NAV per Share (cents) ⁽¹⁾	5.87	6.90	8.35	9.25
NTA per Share (cents) ⁽²⁾	3.53	4.19	2.86	3.84

Notes:

- (1) NAV per Share is computed based on the equity attributable to owners of our Company and the pre-Placement share capital of 104,007,540 Shares.
- (2) NTA per Share is computed based on the equity attributable to owners of our Company net of intangible assets and the pre-Placement share capital of 104,007,540 Shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following discussion of our results of operations and financial position should be read in conjunction with the full text of this Offer Document, including the sections entitled "Independent Auditors' Report and Audited Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Years Ended 31 December 2015, 2016 and 2017" as set out in Appendix A to this Offer Document and the "Independent Auditors' Review Report and the Unaudited Interim Condensed Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Period from 1 January 2018 and 30 June 2018" as set out in Appendix B to this Offer Document.

OVERVIEW

Revenue

We are a Singapore-based provider of Medical Support Services, specialising in providing professional support services to medical clinics. Our 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 resource management services and corporate secretarial services. We also focus on providing Pharmaceutical Services to our clients, assisting them in procuring medical and pharmaceutical products.

As an ancillary service, we provide our Business Support Services to companies outside of the healthcare industry.

Revenue from our Medical Support Services and Business Support Services business segments, which comprise professional fees received from our clients, is measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of our Group's activities. Our Group recognises revenue when (i) it is probable that the economic benefits associated with the transaction will flow to the entity; and (ii) the revenue can be measured reliably. Such revenue is recognised net of rebates, discounts and sales related taxes.

Revenue from our Pharmaceutical Services business segment is recognised when (i) goods are delivered to our customer and the significant risk and rewards of ownership has been transferred to our customer; (ii) recovery of the consideration is probable; and (iii) revenue can be measured reliably.

Our revenue is mainly dependent on the following factors:

- (a) ability to maintain the relevant licences, registrations or permits necessary for our business;
- (b) business relationships with our customers;
- (c) ability to retain our existing customers;
- (d) demand for our services;
- (e) ability to maintain a good reputation as a professional support services provider;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (f) ability to retain and attract qualified and experienced professionals and other key personnel to meet the demands of our clients; and
- (g) changes in the healthcare industry.

Please refer to the section entitled "Risk Factors" of this Offer Document for other factors which may affect our revenue.

Other items of income

Other items of income relates mainly to (i) government grants received by our Group pursuant to the wage credit scheme and the productivity and innovation credit scheme; (ii) rental income; and (iii) interest income. Other income amounted to approximately S\$0.08 million, S\$0.07 million, S\$0.02 million, S\$0.01 million and S\$0.04 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively, accounting for approximately 5.93%, 3.97%, 0.56%, 0.82% and 0.96% of our total revenue in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively.

Items of expenses

Our Group's expenses comprise mainly (i) inventories and consumables; (ii) employee benefits expenses; (iii) depreciation and amortisation expenses; (iv) finance costs; and (v) other expenses. Our total expenses amounted to approximately S\$0.94 million, S\$1.06 million, S\$2.06 million, S\$0.48 million and S\$3.32 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively and accounted for approximately 68.59%, 59.99%, 67.63%, 43.10% and 74.55% of our total revenue in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively.

Inventories and consumables

Inventories and consumables comprise mainly (i) pharmaceutical drugs; and (ii) medical consumables such as gloves, thermometers, urine test strips and pregnancy test strips and cassettes.

Our Group commenced purchases of inventories and consumables following the acquisition of Nex in the second half of FY2017. Accordingly, there were no inventories and consumables purchased by our Group in FY2015, FY2016 and HY2017. Inventories and consumables amounted to approximately S\$0.49 million and S\$1.64 million in FY2017 and HY2018 respectively and accounted for approximately 23.81% and 49.46% of our total expenses in FY2017 and HY2018 respectively.

Employee benefit expenses

Employee benefit expenses comprise mainly (i) salaries, bonuses and other staff benefits paid to our staff; (ii) contributions to defined contribution plans; and (iii) directors' fees. Employee benefit expenses amounted to approximately S\$0.62 million, S\$0.63 million, S\$1.17 million, S\$0.35 million and S\$1.21 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively and accounted for approximately 66.38%, 59.41%, 56.61%, 73.05% and 36.34% of our total expenses in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Depreciation and amortisation expenses

Depreciation and amortisation expenses amounted to approximately S\$0.02 million, S\$0.03 million, S\$0.03 million, S\$0.01 million and S\$0.03 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively and accounted for approximately 2.03%, 2.74%, 1.41%, 2.74% and 0.93% of our total expenses in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively.

Depreciation expense relates to depreciation charges on computer, furniture and fittings, office equipment and renovation. Amortisation expense relates to the amortisation of intangible assets such as customer lists, the value of which is derived from purchase price allocation.

Other expenses

Other expenses include mainly (i) office rental expenses; (ii) professional fees; (iii) recruitment expenses; (iv) bad debts; (v) entertainment expenses; (vi) small value assets such as stationeries; and (vii) telephone and postages.

Other expenses amounted to approximately S\$0.30 million, S\$0.39 million, S\$0.37 million, S\$0.12 million and S\$0.44 million in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively and accounted for approximately 31.59%, 36.80%, 18.12%, 24.21% and 13.24% of our total expenses in FY2015, FY2016, FY2017, HY2017 and HY2018 respectively.

Finance costs

Finance costs relates to term loan and finance lease interest. Our finance costs amounted to approximately S\$0.01 million, S\$1,396 and S\$1,395 in FY2016, FY2017 and HY2018 and accounted for 1.04%, 0.05% and 0.03% of our total expenses in FY2016, FY2017 and HY2018 respectively. No finance costs were incurred in FY2015 and HY2017.

Income tax expense

Our overall effective tax rate was approximately 4.51%, 3.87%, 5.59%, 8.33% and 8.74% for FY2015, FY2016, FY2017, HY2017 and HY2018 respectively. The effective tax rates were lower than the Singapore statutory corporate tax rate of 17% due mainly to tax exemption scheme and corporate tax rebate granted by IRAS.

REVIEW OF RESULTS OF OPERATIONS

Breakdown of our past performance by business segments and geographical segments

For the Period Under Review, our revenue and assets were mainly derived from Singapore. Accordingly, no breakdown of our past performance by geographical segment is presented.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

A breakdown of our revenue and profit before income tax by business segments for the Period Under Review is summarised as follows:

Revenue

	FY2015		FY2016		FY2017		HY2017		HY2018	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Medical Support Services	686	50.22	743	42.17	1,377	45.25	429	38.93	1,618	36.28
Pharmaceutical Services	–	–	–	–	668	21.95	–	–	2,043	45.82
Business Support Services	680	49.78	1,019	57.83	998	32.80	673	61.07	798	17.90
	1,366	100.00	1,762	100.00	3,043	100.00	1,102	100.00	4,459	100.00

Profit before income tax

	FY2015		FY2016		FY2017		HY2017		HY2018	
	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%	S\$'000	%
Medical Support Services	264	51.76	286	36.90	417	41.62	186	29.25	794	67.40
Pharmaceutical Services	–	–	–	–	41	4.09	–	–	63	5.35
Business Support Services	246	48.24	489	63.10	745	74.35	450	70.75	331	28.10
Inter-segment elimination	–	–	–	–	(201)	(20.06)	–	–	(10)	(0.85)
	510	100.00	775	100.00	1,002	100.00	636	100.00	1,178	100.00

Profit before income tax margin

	FY2015	FY2016	FY2017	HY2017	HY2018
	%	%	%	%	%
Medical Support Services	38.48	38.49	30.28	43.36	49.07
Pharmaceutical Services	–	–	6.14	–	3.08
Business Support Services	36.18	47.99	74.65	66.86	41.48

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

REVIEW OF PAST PERFORMANCE

FY2016 compared to FY2015

Revenue

We enjoyed a total revenue growth of approximately S\$0.39 million or 28.47% from approximately S\$1.37 million in FY2015 to approximately S\$1.76 million in FY2016. The increase in revenue in FY2016 was mainly due to organic growth arising from additional clients secured for our Medical Support Services and Business Support Services segments in FY2016.

Other items of income

Our other items of income decreased by approximately S\$0.01 million or 12.5% from approximately S\$0.08 million in FY2015 to approximately S\$0.07 million in FY2016 due to decrease in grant from the productivity and innovation credit scheme and reduction in storage rental income charged to clients of approximately S\$0.03 million which was offset by the increase in grants received from the wage credit scheme of approximately S\$0.02 million.

Items of expenses

Our expenses increased by approximately S\$0.12 million or 12.77% from approximately S\$0.94 million in FY2015 to approximately S\$1.06 million in FY2016 due mainly to an increase in (a) employee benefits expenses of approximately S\$0.01 million; (b) depreciation and amortisation expenses of approximately S\$0.01 million; (c) other expenses of approximately S\$0.09 million; and (d) finance costs of approximately S\$0.01 million.

Employee benefits expense

Employee benefits expense increased slightly by approximately S\$0.01 million or 1.61% from approximately S\$0.62 million in FY2015 to approximately S\$0.63 million in FY2016 mainly due to annual increment of our staff's salaries.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by approximately S\$0.01 million or 50.00% from approximately S\$0.02 million in FY2015 to approximately S\$0.03 million in FY2016 due to additional fixed assets purchased in FY2016.

Other expenses

Other expenses increased by approximately S\$0.09 million or 30.00% from approximately S\$0.30 million in FY2015 to approximately S\$0.39 million in FY2016 due mainly to an increase in (a) rental expenses of approximately S\$0.04 million due to the relocation of our office to Peninsula Plaza in June 2016; (b) professional management fees of approximately S\$0.03 million; and (c) entertainment expenses of approximately S\$0.04 million, and slightly offset by a decrease in recruitment expenses, small value assets and telephone and postages charges of approximately S\$0.02 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Finance costs

Our finance costs increased by approximately S\$0.01 million or 100% in FY2016 due to the working capital loan facilities obtained by our Company and Medinex Healthcare from Malayan Banking Berhad in FY2016.

Profit before income tax

Our profit before income tax increased by approximately S\$0.26 million or 50.98% from approximately S\$0.51 million in FY2015 to approximately S\$0.77 million in FY2016 due to an increase in our revenue of S\$0.39 million which is offset by a decrease in our other items of income of approximately S\$0.01 million and an increase in our total expenses of approximately S\$0.12 million. Our profit before income tax margin also improved by approximately 6.64% from approximately 37.34% in FY2015 to approximately 43.98% in FY2016, mainly due to the increase in revenue of approximately S\$0.39 million while fixed expenses of our Group (comprising rental and employee benefits expenses) remained relatively stable with a slight increase of only S\$0.05 million.

Income tax expense

Our income tax expense increased by approximately S\$0.01 million or 50.00% from approximately S\$0.02 million in FY2015 to approximately S\$0.03 million in FY2016 and the effective income tax rates decreased from approximately 4.51% in FY2015 to approximately 3.87% in FY2016 due to higher tax exemption in FY2016.

FY2017 compared to FY2016

Revenue

We enjoyed a total revenue growth of approximately S\$1.28 million or 72.73% from approximately S\$1.76 million in FY2016 to approximately S\$3.04 million in FY2017 due to (a) the acquisition of our subsidiary, Nex, in October 2017 which contributed approximately S\$0.89 million to our total revenue; (b) the transfer of the corporate secretarial business from JK Bizsec in June 2017 which contributed approximately S\$0.23 million to our total revenue; and (c) organic growth from our Medical Support Services and Business Support Services segments of approximately S\$0.16 million.

Other items of income

Our other items of income decreased by approximately S\$0.05 million or 71.43% from approximately S\$0.07 million in FY2016 to approximately S\$0.02 million in FY2017 mainly due to reduction in rental income and government grants of approximately S\$0.05 million.

Items of expenses

Our expenses increased by approximately S\$1.00 million or 94.34% from approximately S\$1.06 million in FY2016 to approximately S\$2.06 million in FY2017 mainly due to an increase in (a) inventories and consumables of approximately S\$0.49 million; and (b) employee benefits expenses of approximately S\$0.54 million, and slightly offset by a decrease in (i) other expenses of approximately S\$0.02 million; and (ii) finance costs of approximately S\$0.01 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Inventories and consumables

Inventories and consumables amounted to approximately S\$0.49 million in FY2017 following the completion of our acquisition of Nex in FY2017. Nex purchases medical and pharmaceutical products for distribution to its clients.

Employee benefits expense

Employee benefits expense increased by approximately S\$0.54 million or 85.71% from approximately S\$0.63 million in FY2016 to approximately S\$1.17 million in FY2017 arising from (a) the increase in the number of employees following the completion of the acquisition of Nex in FY2017, which contributed to an increase of approximately S\$0.31 million in employee benefits expenses; and (b) annual increment of S\$0.03 million, and our Executive Director and Chief Executive Officer, Jessie Low's remuneration following her appointment as Chief Executive Officer in June 2017 of approximately S\$0.20 million in FY2017.

Depreciation and amortisation expenses

Depreciation and amortisation expenses remained constant at approximately S\$0.03 million in FY2017 compared to FY2016.

Other expenses

Other expenses decreased by approximately S\$0.02 million or 5.13% from approximately S\$0.39 million in FY2016 to approximately S\$0.37 million in FY2017 due mainly to a decrease in (a) professional management fees of approximately S\$0.09 million; and (b) entertainment expenses of approximately S\$0.02 million, and offset by an increase in (i) bad debts of approximately S\$0.03 million; (ii) office rental of approximately S\$0.01 million; (iii) increase in recruitment expenses, small value assets and telephone and postages charges of approximately S\$0.03 million; (iv) insurance expenses of approximately S\$0.01 million; and (v) internal training expenses of S\$0.01 million.

Finance costs

Our finance costs decreased by approximately S\$0.01 million from approximately S\$0.01 million in FY2016 to a negligible amount in FY2017 due to the settlement of the working capital loan facilities obtained by our Company and Medinex Healthcare from Malayan Banking Berhad.

Profit before income tax

Our profit before income tax increased by approximately S\$0.23 million or 29.87% from approximately S\$0.77 million in FY2016 to approximately S\$1.00 million in FY2017 due to an increase in our revenue of approximately S\$1.28 million which is offset by a decrease in our other items of income of approximately S\$0.05 million and an increase in our total expenses of approximately S\$1.00 million. Our profit before income tax margin declined by approximately 11.05% from approximately 43.98% in FY2016 to approximately 32.93% in FY2017 due to Nex, which generally commands a lower profit margin than our other subsidiaries.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Income tax expense

Our income tax expense increased by approximately S\$0.03 million or 100% from approximately S\$0.03 million in FY2016 to approximately S\$0.06 million in FY2017 and the effective income tax rates increased from approximately 3.87% in FY2016 to approximately 5.59% in FY2017 as there were higher taxable profits generated by our Group in FY2017.

HY2017 compared to HY2018

Revenue

We enjoyed a total revenue growth of approximately S\$3.36 million or 305.45% from approximately S\$1.10 million in HY2017 to approximately S\$4.46 million in HY2018 due to (a) transfer of the corporate secretarial businesses from JK Bizsec in June 2017 which contributed approximately S\$0.42 million to our total revenue in HY2018; and (b) the acquisition of our subsidiaries, Nex and AccTax in FY2017 and FY2018 respectively which contributed revenue of approximately S\$2.71 million from Nex and approximately S\$0.23 million from AccTax. Notwithstanding that our Group only owns 50% of the issued share capital of AccTax in HY2018, our Group has control over AccTax and hence had recognised 100% of AccTax's revenue in HY2018.

Other items of income

Our other items of income increased by approximately S\$0.03 million from S\$0.01 million in HY2017 to approximately S\$0.04 million in HY2018 due to an increase in (a) interest income of approximately S\$0.01 million; (b) ad-hoc service income of approximately S\$0.01 million; and (c) government grants of approximately S\$0.01 million.

Items of expenses

Our expenses increased by approximately S\$2.84 million or 591.67% from approximately S\$0.48 million in HY2017 to approximately S\$3.32 million in HY2018 due mainly to an increase in (a) inventories and consumables of approximately S\$1.64 million; (b) employee benefits expenses of approximately S\$0.86 million; (c) depreciation and amortisation expenses of approximately S\$0.02 million; and (d) other expenses of approximately S\$0.32 million.

Inventories and consumables

Inventories and consumables amounted to approximately S\$1.64 million following the completion of our acquisition of Nex in FY2017. Nex purchases medical and pharmaceutical products for distribution to its clients.

Employee benefits expense

Employee benefits expense increased by approximately S\$0.86 million or 245.71% from approximately S\$0.35 million in HY2017 to approximately S\$1.21 million in HY2018 arising from (a) the increase in the number of employees following the completion of the acquisition of Nex and AccTax in FY2017, which contributed to an increase of approximately S\$0.70 million in employee benefits expenses; and (b) annual increment of S\$0.04 million, and our Executive Director and

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Chief Executive Officer, Jessie Low's remuneration following her appointment as Chief Executive Officer in June 2017 of approximately S\$0.12 million.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by approximately S\$0.02 million or 200.00% from approximately S\$0.01 million in HY2017 to approximately S\$0.03 million in HY2018, which was in relation to depreciation and amortisation of additional fixed assets from the acquisition of Nex in FY2017.

Other expenses

Other expenses increased by approximately S\$0.32 million or 266.67% from approximately S\$0.12 million in HY2017 to approximately S\$0.44 million in HY2018 due mainly to an increase in (a) office rental of approximately S\$0.05 million and other operating expenses of approximately S\$0.12 million which arose from the acquisition of Nex in FY2017 and AccTax in HY2018; and (b) professionals' fees of approximately S\$0.15 million for the proposed listing of our Company.

Profit before income tax

Our profit before income tax increased by approximately S\$0.54 million or 84.38% from approximately S\$0.64 million in HY2017 to approximately S\$1.18 million in HY2018 due to an increase in our revenue of S\$3.36 million and an increase in our other items of income of approximately S\$0.03 million, and offset by an increase in our total expenses of approximately S\$2.84 million. Our profit before income tax margin declined by approximately 31.29% from approximately 57.71% in HY2017 to approximately 26.42% in HY2018 due to Nex and AccTax, which generally command lower profit margins than our other subsidiaries.

Income tax expense

Our income tax expense increased by approximately S\$0.05 million or 100.00% from approximately S\$0.05 million in HY2017 to approximately S\$0.10 million in HY2018 and the effective income tax rates increased from approximately 8.33% in HY2017 to approximately 8.74% in HY2018 as there were higher taxable profits generated by our Group in HY2018.

REVIEW OF FINANCIAL POSITION

As at 31 December 2017

Non-current assets

Non-current assets comprise plant and equipment and intangible assets. As at 31 December 2017, our non-current assets of approximately S\$2.54 million accounted for approximately 36.17% of our total assets.

Plant and equipment, which comprised computers, furniture and fittings, office equipment, renovation and motor vehicle, accounted for approximately S\$0.10 million or 3.79% of our total non-current assets as at 31 December 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Intangible assets, which comprised customers listing and goodwill arising from the acquisitions of Nex and AccTax, accounted for approximately S\$2.44 million or 96.21% of our total non-current assets as at 31 December 2017.

Current assets

As at 31 December 2017, our current assets of approximately S\$4.48 million accounted for 63.83% of our total assets. Our current assets comprise mainly fixed deposits, cash and bank balances, trade and other receivables, inventories and prepayments.

Fixed deposits and cash and bank balances accounted for approximately S\$3.07 million or 68.52% of our total current assets as at 31 December 2017.

Trade and other receivables accounted for approximately S\$0.95 million or 21.22% of our total current assets as at 31 December 2017.

Inventories which comprised medical and pharmaceutical products accounted for approximately S\$0.45 million or 10.10% of our total current assets as at 31 December 2017.

Prepayments amounted to approximately S\$0.01 million or 0.16% of our total current assets as at 31 December 2017.

Non-current liabilities

Our non-current liabilities of approximately S\$0.01 million as at 31 December 2017 accounted for 1.11% of our total liabilities. Our non-current liabilities comprised of deferred tax liabilities and finance lease payables arising from motor vehicles and printer purchased under finance lease arrangements.

Deferred tax liabilities accounted for approximately S\$8,000 or 80.00% of our total non-current liabilities as at 31 December 2017 while finance lease payables accounted for approximately S\$2,000 or 20.00% of our total non-current liabilities as at 31 December 2017.

Current liabilities

As at 31 December 2017, our current liabilities amounted to approximately S\$0.89 million and accounted for 98.89% of our total liabilities. Our current liabilities comprise mainly trade and other payables, finance lease payables and current income tax payable.

Trade and other payables as at 31 December 2017 comprised trade payables to third parties, GST payables, accrued expenses and other payables. Trade and other payables accounted for approximately S\$0.81 million or 91.26% of our total current liabilities as at 31 December 2017.

Finance lease payables accounted for approximately S\$0.02 million or 2.58% of our total current liabilities as at 31 December 2017.

Current income tax payable accounted for approximately S\$0.06 million or 6.16% of our total current liabilities as at 31 December 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Equity attributable to owners of our Company

As at 31 December 2017, our equity, which comprise share capital and retained earnings amounted to approximately S\$6.11 million.

As at 30 June 2018

Non-current assets

Non-current assets comprise plant and equipment, intangible assets and advance payment. As at 30 June 2018, our non-current assets of approximately S\$4.00 million accounted for approximately 47.88% of our total assets.

Plant and equipment, which comprised computers, furniture and fittings, office equipment, renovation and motor vehicle, accounted for approximately S\$0.09 million or 2.30% of our total non-current assets as at 30 June 2018.

Intangible assets, which comprised customers listing and goodwill arising from the acquisitions of Nex and AccTax, accounted for approximately S\$2.82 million or 70.69% of our total non-current assets as at 30 June 2018.

Advance payments made for the acquisitions of Patceljon and Jo-L accounted for approximately S\$1.08 million or 27.01% of our total non-current assets as at 30 June 2018.

Current assets

As at 30 June 2018, our current assets of approximately S\$4.35 million accounted for 52.12% of our total assets. Our current assets comprised mainly fixed deposits, cash and bank balances, trade and other receivables, inventories and prepayments.

Fixed deposits and cash and bank balances accounted for approximately S\$2.78 million or 64.03% of our total current assets as at 30 June 2018.

Trade and other receivables, which comprised trade receivables, other receivables and deposits, accounted for approximately S\$1.03 million or 23.78% of our total current assets as at 30 June 2018.

Inventories which comprised medical and pharmaceutical products accounted for S\$0.52 million or 11.84% of our total current assets as at 30 June 2018.

Prepayments amounted to approximately S\$0.02 million or 0.34% of our total current assets as at 30 June 2018.

Non-current liabilities

Our non-current liabilities of approximately S\$0.02 million as at 30 June 2018 accounted for 1.78% of our total liabilities. Our non-current liabilities comprised deferred tax liabilities and finance lease payables arising from motor vehicles and printer purchased under finance lease arrangements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Deferred tax liabilities accounted for approximately S\$0.01 million or 70.00% of our total non-current liabilities as at 30 June 2018 while finance lease payables accounted for approximately S\$6,000 or 30.00% of our total non-current liabilities as at 30 June 2018.

Current liabilities

As at 30 June 2018, our current liabilities amounted to approximately S\$1.10 million and accounted for 98.22% of our total liabilities. Our current liabilities comprise mainly trade and other payables, finance lease payables and current income tax payable.

Trade and other payables as at 30 June 2018 comprised trade payables to third parties, GST payables, accrued expenses and other payables to third parties. Trade and other payables accounted for approximately S\$0.95 million or 86.01% of our total current liabilities as at 30 June 2018.

Finance lease payables accounted for approximately S\$0.02 million or 1.54% of our total current liabilities as at 30 June 2018.

Current income tax payable accounted for approximately S\$0.14 million or 12.44% of our total current liabilities as at 30 June 2018.

Equity attributable to owners of our Company

As at 30 June 2018, our equity attributable to owners of our Company, which comprise share capital and retained earnings, amounted to approximately S\$7.18 million.

LIQUIDITY AND CAPITAL RESOURCES

Our operations have been funded through a combination of internal and external sources. Our internal sources of funds comprise cash generated from our Group's operating activities and our external sources of funds comprise mainly from capital investment from Shareholders. Our principal use of cash has been to finance our expansion, working capital in relation to purchasing of medical and pharmaceutical products and hiring and retention of our staff.

The following table sets out a summary of our Group's cash flow for the Period Under Review:

(S\$'000)	← Audited →			Unaudited HY2018
	FY2015	FY2016	FY2017	
Net cash from operating activities	559	643	1,129	1,201
Net cash (used in)/from investing activities	(11)	(57)	548	(1,445)
Net cash (used in)/from financing activities	(587)	(450)	976	(39)
Net change in cash and cash equivalents	(39)	136	2,653	(283)
Cash and cash equivalents at beginning of financial year/period	317	278	414	3,067
Cash and cash equivalents at end of financial year/period	278	414	3,067	2,784

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FY2015

In FY2015, we recorded net cash generated from operating activities of approximately S\$0.56 million which was a result of operating cash flows before changes in working capital of approximately S\$0.53 million and net working capital inflow of approximately S\$0.05 million, and adjusted for income tax paid of approximately S\$0.02 million. Our working capital outflow was mainly due to a decrease in trade and other receivables of approximately S\$0.15 million and partially offset by a decrease in trade and other payables of approximately S\$0.10 million.

Net cash used in investing activities amounted to approximately S\$0.01 million, which was due to purchase of plant and equipment.

Net cash used in financing activities amounted to approximately S\$0.59 million, which was due to the dividend paid of approximately S\$0.46 million and repayment to a former director of approximately S\$0.65 million, and partially offset by advances from a former director of approximately S\$0.52 million.

As a result, there was a net decrease of approximately S\$0.04 million in our cash and cash equivalents, from approximately S\$0.32 million as at 1 January 2015 to approximately S\$0.28 million as at 31 December 2015.

FY2016

In FY2016, we recorded net cash generated from operating activities of approximately S\$0.64 million, which was a result of operating cash flows before changes in working capital of approximately S\$0.81 million and net working capital outflow of approximately S\$0.15 million, adjusted for income tax paid of approximately S\$0.02 million. Our working capital outflow was mainly due to the following:

- (i) an increase in trade and other receivables of approximately S\$0.21 million; and
- (ii) an increase in prepayments of approximately S\$0.02 million.

The above working capital outflow was partially offset by an increase in trade and other payables of approximately S\$0.08 million.

Net cash used in investing activities amounted to approximately S\$0.06 million, which was due to purchase of plant and equipment.

Net cash used in financing activities amounted to approximately S\$0.45 million, which was due to the repayment of term loan and repayment to a former director of S\$0.79 million, and payment of dividend and interest of approximately S\$0.75 million, and partially offset by proceeds from issuance of shares and term loan of approximately S\$0.45 million and advances from a former director of approximately S\$0.64 million.

As a result, there was a net increase of approximately S\$0.13 million in our cash and cash equivalents, from approximately S\$0.28 million as at 1 January 2016 to approximately S\$0.41 million as at 31 December 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

FY2017

In FY2017, we recorded net cash generated from operating activities of approximately S\$1.13 million, which was a result of operating cash flows before changes in working capital of approximately S\$1.06 million and net working capital inflow of approximately S\$0.11 million, adjusted for income tax paid of approximately S\$0.04 million. Our working capital inflow was mainly due to the following:

- (i) a decrease in prepayment of approximately S\$0.01 million; and
- (ii) an increase in trade and other payables of approximately S\$0.19 million.

The above working capital inflow was partially offset by:

- (i) an increase in inventories of approximately S\$0.04 million; and
- (ii) an increase in trade and other receivables of approximately S\$0.05 million.

Net cash generated from investing activities amounted to approximately S\$0.55 million, which was due to the acquisition of Nex of approximately S\$0.57 million, and partially offset by cash used for acquisition of subsidiaries under common control of S\$0.02 million.

Net cash generated from financing activities amounted to approximately S\$0.98 million, which was due to the proceeds from issue of shares of approximately S\$2.05 million, advances from our Executive Director and Chief Executive Officer, Jessie Low, of approximately S\$0.06 million, repayment from a former director of approximately S\$0.09 million, and partially offset by repayment of term loan and finance lease of approximately S\$0.43 million, repayment to Jessie Low of approximately S\$0.03 million and dividend paid of approximately S\$0.76 million.

As a result, there was a net increase of approximately S\$2.66 million in our cash and cash equivalents, from approximately S\$0.41 million as at 1 January 2017 to approximately S\$3.07 million as at 31 December 2017.

HY2018

In HY2018, we recorded net cash generated from operating activities of approximately S\$1.20 million, which was a result of operating cash flows before changes in working capital of approximately S\$1.21 million and net working capital inflow of approximately S\$0.02 million, adjusted for income tax paid of approximately S\$0.03 million. Our working capital inflow was mainly due to a decrease in trade and other receivables of approximately S\$0.33 million, and partially offset by:

- (i) an increase in inventories of approximately S\$0.06 million; and
- (ii) a decrease in trade and other payables and prepayments of approximately S\$0.25 million.

Net cash used in investing activities amounted to approximately S\$1.45 million, which were due to the acquisition of subsidiaries of approximately S\$0.37 million, advance payment for investments of approximately S\$1.08 million and purchase of plant and equipment of approximately S\$0.01 million, and partially offset by interest received of S\$0.01 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

Net cash used in financing activities amounted to approximately S\$0.04 million, which was due to the repayment of finance lease and repayment to directors of approximately S\$0.04 million.

As a result, there was a net decrease of approximately S\$0.29 million in our cash and cash equivalents, from approximately S\$3.07 million as at 1 January 2018 to approximately S\$2.78 million as at 30 June 2018.

CAPITAL EXPENDITURE AND DIVESTMENTS

Save as disclosed in the section entitled "Restructuring Exercise" of this Offer Document, the capital expenditure made by our Group in the Period Under Review and for the period from 1 July 2018 up to the Latest Practicable Date were as follows:

Capital Expenditure

(\$'000)	FY2015	FY2016	FY2017	HY2018	1 July 2018 up to the Latest Practicable Date
<u>Additions</u>					
Motor vehicles	–	–	–	–	–
Computers	–	18	–	2	–
Fixtures & fittings	–	–	–	5	–
Office equipment	12	5	–	–	1
Renovation	–	34	–	–	5
Total	12	57	–	7	6

The above capital expenditure was primarily financed by internally generally cash resources, save for motor vehicles and office equipment which were financed by finance leases.

Divestments

There were no divestments made by our Group in the Period Under Review and for the period from 1 July 2018 up to the Latest Practicable Date.

FOREIGN EXCHANGE MANAGEMENT

As at the Latest Practicable Date, our business operations are wholly based in Singapore. Our revenue, cost of inventories and consumables and operating expenses are denominated in Singapore dollars and accordingly, our Group is not exposed to financial risks of changes in foreign currency exchange rates.

We currently do not have a formal foreign currency hedging policy with respect to any possible foreign currency exposure. We will continue to monitor any foreign exchange exposure in the future and will consider formalising a hedging policy to manage the foreign exchange exposure

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

should the need arise. Such policies will be reviewed and approved by our Audit Committee and our Board. However, we may, subject to the approval of our Board, enter into relevant transactions when necessary, to hedge our exposure to foreign currency fluctuations.

SEASONALITY

Due to the nature of our business, we have not observed any significant seasonal trends within the Period Under Review. Our Directors believe that there is no apparent seasonality factor affecting the business of providing professional support services in Singapore.

INFLATION OR DEFLATION

Our financial performance for the Period Under Review was not materially affected by inflation or deflation.

SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

The accounting policies have been consistently applied by our Group during the Period Under Review. We expect that the adoption of new or revised accounting standards issued but not yet effective for the Period Under Review will have no material impact on our future financial statements. Please refer to the section entitled "Summary of Significant Accounting Policies" in the "Independent Auditors' Report and Audited Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Years Ended 31 December 2015, 2016 and 2017" as set out in Appendix A to this Offer Document, for details on our Group's accounting policies.

On 29 December 2017, Accounting Standards Council Singapore has issued SFRS (I), Singapore's equivalent of the International Financial Reporting Standards. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore are required to apply SFRS (I)s for annual periods beginning on or after 1 January 2018.

The adoption of SFRS(I) did not have a significant impact on the Group's financial statements for the financial period ended 30 June 2018 and our Group does not expect the application of the SFRS (I) and interpretations to have a significant impact on the financial statements and moving forward, except for SFRS (I) 9 and SFRS (I) 15 as disclosed in the section entitled "Summary of Significant Accounting Policies" in the "Independent Auditors' Review Report and Unaudited Interim Condensed Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Period from 1 January 2018 to 30 June 2018" as set out in Appendix B to this Offer Document.

CAPITALISATION AND INDEBTEDNESS

The following table, which should be read in conjunction with the full text of this Offer Document, including the sections entitled “Management’s Discussion and Analysis of Results of Operations and Financial Position”, the “Independent Auditors’ Report and Audited Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Years Ended 31 December 2015, 2016 and 2017”, the “Independent Auditors’ Review Report and Unaudited Interim Condensed Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Period from 1 January 2018 to 30 June 2018” and the “Independent Auditors’ Assurance Report and Unaudited *Pro Forma* Combined Financial Information of Medinex Limited and its Subsidiaries for the Financial Year Ended 31 December 2017 and for the Financial Period from 1 January 2018 to 30 June 2018” as set out in Appendices A, B and C respectively to this Offer Document, shows our cash and cash equivalents, and capitalisation and indebtedness which are prepared:

- (a) based on our unaudited combined financial statements as at 30 June 2018;
- (b) based on our unaudited combined management accounts as at 30 September 2018;
- (c) based on our unaudited combined management accounts as at 30 September 2018 as adjusted for the issue of 1,566 Shares pursuant to the Restructuring Exercise, the Share Split and the issue of the NCF Shares; and
- (d) based on our unaudited combined management accounts as at 30 September 2018 as adjusted to give effect to the application of the estimated net proceeds raised by our Company from the Placement, after deducting estimated listing expenses related to the Placement.

(S\$'000)	As at 30 June 2018	As at 30 September 2018	As adjusted for the Restructuring Exercise, the Share Split and the issue of the NCF Shares	As adjusted for the net proceeds from the Placement
Cash and cash equivalents	2,784	3,082	3,082	8,398
Indebtedness				
<u>Non-current</u>				
– Finance lease payables	6	5	5	5
<u>Current</u>				
– Finance lease payables	17	12	12	12
Total indebtedness	23	17	17	17
Total equity attributable to Shareholders	7,180	7,350	9,540	14,856
Total capitalisation and indebtedness	7,203	7,367	9,557	14,873

CAPITALISATION AND INDEBTEDNESS

Save for (i) the changes in working capital; (ii) the scheduled monthly repayments on our finance leases; and (iii) changes in our shareholders' equity and reserves arising from the day-to-day operations in the ordinary course of our business, there were no material changes in our total capitalisation and indebtedness since 1 October 2018 to the Latest Practicable Date.

Credit Facilities

As at the Latest Practicable Date, our Group's banking facilities are as follows:

Financial institution/Lender	Nature of facility	Facility amount (\$)	Amount utilised (\$)	Amount unutilised (\$)	Interest rate per annum (%)	Maturity profile	Security
Malayan Banking Berhad	Hire purchase	104,000	104,000	–	2.99	35 months commencing from 17 February 2016	–
Fuji Xerox Singapore Pte Ltd	Hire purchase	19,421	19,421	–	3.55	60 months commencing from 1 February 2016	–
Total		123,421	123,421	–			

As at the Latest Practicable Date, to the best of our Directors' knowledge, we are not in breach of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our Group's financial position and results of business operations, or the investments of our Shareholders.

Operating Lease Commitments

As at 30 June 2018 and the Latest Practicable Date, we have the following operating lease payment commitments relating to the non-cancellable operating leases as disclosed in the section entitled "General Information on our Group – Properties and Fixed Assets" of this Offer Document. The leases are negotiated for an average term of one (1) to nine (9) years and rentals are fixed for the term of the lease.

(S\$'000)	As at 30 June 2018	As at the Latest Practicable Date
Within one (1) financial year	153	178
After one (1) financial year but within five (5) financial years	161	227
More than five (5) financial years	285	254
	599	659

We intend to finance the above operating lease commitments with internally generated funds.

CAPITALISATION AND INDEBTEDNESS

Capital Commitments

As at the Latest Practicable Date, our Group does not have any material capital commitments.

Contingent Liabilities

As at the Latest Practicable Date, our Group does not have any contingent liabilities.

WORKING CAPITAL

Our material sources of liquidity are obtained through internal and external sources, which we use for funding our Group's operations. Our internal sources of funds mainly comprise cash generated from our Group's operating activities. Our external sources of funds comprise credit granted by our suppliers and capital investment from our Shareholders.

Our Group had cash and bank balances of approximately S\$0.28 million, S\$0.41 million, S\$1.47 million, and S\$2.38 million as at 31 December 2015, 31 December 2016, 31 December 2017 and 30 June 2018 respectively. As at the Latest Practicable Date, our cash and bank balances was approximately S\$3.11 million.

Net cash generated from our Group's operating activities was S\$0.56 million, S\$0.64 million, S\$1.13 million and S\$1.20 million in FY2015, FY2016, FY2017 and HY2018 respectively.

Our Group recorded positive working capital of approximately S\$0.29 million, S\$0.28 million, S\$3.58 million and S\$3.25 million as at 31 December 2015, 31 December 2016, 31 December 2017 and 30 June 2018 respectively.

Please refer to the section entitled "Capitalisation and Indebtedness" of this Offer Document for further details.

Our Directors are of the reasonable opinion that, after having made due and careful enquiry and after taking into account net cash generated from our Group's operating activities and our existing cash and cash equivalents, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present working capital requirements and for at least 12 months after the admission of our Company to Catalist.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry and after taking into account net cash generated from our Group's operating activities and our existing cash and cash equivalents, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present working capital requirements and for at least 12 months after the admission of our Company to Catalist.

RESTRUCTURING EXERCISE

Pursuant to a restructuring exercise to rationalise the structure of our Group and our subsidiaries in preparation for the Listing, our Company became the holding company of our Group. The Restructuring Exercise involved the following:

(a) Acquisition of Medinex Healthcare and MCS, and the transfer of the corporate secretarial business from JK Bizsec

Our Company was incorporated in Singapore on 12 January 2009 under the Companies Act as a private company limited by shares. On 16 May 2017, our Company acquired the entire issued and paid-up share capitals of Medinex Healthcare and MCS from Karun Letchumanan, the husband of our Executive Director and Chief Executive Officer, Jessie Low, who was holding the shares on her behalf, for a consideration of S\$10,000 in respect of each acquisition, based on the share capital of the respective companies, at the direction of Jessie Low. As at 16 May 2017, Karun Letchumanan was the sole Shareholder of our Company, and was holding the Shares on Jessie Low's behalf. The consideration payable to Karun Letchumanan was satisfied wholly in cash.

In June 2017, to streamline the businesses beneficially held by Jessie Low and Karun Letchumanan, Jessie Low instructed Karun Letchumanan, who was then the sole shareholder of JK Bizsec and holding the shares of JK Bizsec on trust for Jessie Low, and her sister, Valerie Low, who was the sole director of JK Bizsec, to transfer the corporate secretarial business of JK Bizsec to our Group. The parties did not enter into any written agreement, and no consideration was paid by our Group to JK Bizsec, for such transfer.

(b) Acquisition of Nex

On 27 October 2017, pursuant to the Nex SPA, our Company acquired the entire issued and paid-up share capital of Nex from the Nex Vendors for an aggregate consideration of S\$0.50 million, and the purchase consideration was satisfied in full by the allotment and issue by our Company of our Shares to each of the Nex Vendors in such proportion of the expected profit after tax for the operations of each of our Company (excluding Nex's operations) and Nex, for the 12-month period from October 2017 to September 2018, which was assessed to be 71.165% and 28.835% respectively ("**Initial Shares Allocation Ratio**"). The purchase consideration was arrived at following discussions and negotiations, based on the various parties' perceived comparative valuation of Nex relative to the valuation of our Group, and on a willing buyer, willing seller basis.

Further, our Company and the Nex Vendors had also agreed that, in the event the actual profits of our Company (excluding Nex's operations) and Nex is not in the Initial Shares Allocation Ratio, our Company shall allot and issue such number of new Shares to the respective original Shareholders of our Company or the Nex Vendors to reflect the actual ratio of the 12-month profit after tax amounts, up to a maximum aggregate number of Shares equivalent to 10% of the existing share capital of our Company at the point of issue ("**Profit Adjustment**"). In addition, it was agreed among the parties that post-completion of the acquisition of the issued and paid-up share capital of Nex, in the event that our Company increases our issued share capital, the shareholding proportion shall be adjusted accordingly to give effect to the foregoing (together with the Profit Adjustment, collectively, the "**Post-Completion Adjustments**"). Subsequently, pursuant to the Nex Supplemental Letter, the parties had agreed that cash be paid by the Shareholders of our Company then, being Jessie Low, John Tan, HCSS and Shinex Capital, to each of the Nex Vendors instead of the issuance of new Shares by our Company to the Nex Vendors. The aggregate amount of S\$121,000 was paid to the Nex Vendors on 3 October 2018 and the Post-Completion Adjustments were deemed fulfilled.

RESTRUCTURING EXERCISE

(c) Acquisition of 50% of AccTax

On 5 January 2018, pursuant to the AccTax SPA, and in consideration of the commercial risk undertaken by our Company and the available cash and cash equivalents position of our Group required for the purchase of the entire issued and paid-up share capital of AccTax, our Company acquired 50% of the issued and paid-up share capital of AccTax from Chai Yee Hoi, our MD (AccTax), and our Non-executive Chairman, John Tan, and Koo Poh Heng Andre each acquired 12.5% of the issued and paid-up share capital of AccTax. The remaining 25.0% of the issued and paid-up share capital of AccTax remained held by Chai Yee Hoi.

The total purchase consideration for 75% of the issued and paid-up share capital of AccTax was approximately S\$0.56 million, based on five (5) times multiple of the AccTax Guaranteed Profit. Our Company paid approximately S\$0.38 million for 50% of the issued and paid-up share capital of AccTax and our Non-executive Chairman, John Tan, and Koo Poh Heng Andre each paid approximately S\$0.09 million for 12.5% of the issued and paid-up share capital of AccTax. The purchase consideration was satisfied in full by cash.

Under the AccTax SPA, Chai Yee Hoi had provided the AccTax Guarantee Profit, for the three (3)-year period commencing from 5 January 2018 and ending 4 January 2021. To the extent that the actual aggregate profit after tax as determined by the auditors of our Company from the audited accounts of AccTax is less than the AccTax Guaranteed Profit, Chai Yee Hoi undertook to pay to each of our Company, John Tan and Koo Poh Heng Andre in proportion of our/their respective shareholdings in AccTax, a sum based on the following:

$$\frac{\text{AccTax Guaranteed Profit} - \text{Actual aggregate profit after tax}}{3} \times 5$$

The finance team of our Group will monitor the AccTax Guaranteed Profit and related payments to our Company (if applicable).

(d) Acquisition of 60% of Patceljon and Jo-L

On 15 June 2018, pursuant to the Patceljon/Jo-L SPA, and in consideration of the commercial risk undertaken by our Company and the available cash and cash equivalents position of our Group required for the purchase of the entire issued and paid-up share capitals of Patceljon and Jo-L, our Company acquired 60% of the issued and paid-up share capital of Patceljon from Ng Guan Kiat, our MD (Patceljon and Jo-L), and Kheak Sock Lim, and 60% of the issued and paid-up share capital of Jo-L from Ng Guan Kiat, and the remaining 40% of the issued and paid-up share capitals of Patceljon and Jo-L were acquired by our Non-executive Chairman, John Tan.

The total purchase consideration for the entire issued and paid-up share capitals of Patceljon and Jo-L, which was based on a value which was five (5) times multiple of price earnings ratio of each of Patceljon and Jo-L based on the completed financial year ended 31 December 2017, was approximately S\$1.66 million and approximately S\$0.14 million respectively. The purchase consideration shall be satisfied in full by cash, with 95% of the consideration paid on completion and the remaining 5% of the consideration to be paid off when the audited accounts for both Patceljon and Jo-L for the financial year ended 31 December 2018 are signed off by the auditors and director(s) of Patceljon and Jo-L respectively.

RESTRUCTURING EXERCISE

The purchase consideration due from our Company was approximately S\$0.99 million and S\$0.09 million for 60% of the issued and paid-up share capitals of Patceljon and Jo-L respectively, of which as at the Latest Practicable Date, our Company had paid approximately S\$0.94 million and S\$0.08 million respectively, and the purchase consideration due from our Non-executive Chairman, John Tan was approximately S\$0.66 million and approximately S\$0.06 million for the remaining 40% of the issued and paid-up share capitals of Patceljon and Jo-L respectively, of which as at the Latest Practicable Date, John Tan had paid approximately S\$0.63 million and S\$0.057 million respectively.

Under the Patceljon/Jo-L SPA, Ng Guan Kiat had provided the Guaranteed Profit. To the extent that the actual audited aggregate profit after tax as determined by the auditors of our Company for the respective financial year is less than 90% of the Guaranteed Profit, Ng Guan Kiat undertook to pay to each of our Company and John Tan, in proportion of our/his respective shareholdings in each of Patceljon and Jo-L, the shortfall between the actual aggregate profit after tax and the Guaranteed Profit within three (3) business days of written notice from our Company and John Tan. The finance team of our Group will monitor the Guaranteed Profit and related payments to our Company (if applicable).

(e) Acquisition of the remaining share capitals of AccTax, Patceljon and Jo-L

Following the acquisition of the first 50% of the issued and paid-up share capital of AccTax and the first 60% of the issued and paid-up share capitals of Patceljon and Jo-L in the first half of 2018, our Company recognised the synergies arising from the integration and the streamlining of the various businesses of our Group, and had, on 5 November 2018, entered into the Restructuring Agreement to acquire the remaining:

- (i) 50% of the issued and paid-up share capital of AccTax from John Tan, Chai Yee Hoi and Koo Poh Heng Andre, for an aggregate consideration of S\$0.75 million; and
- (ii) 40% of the issued and paid-up share capitals of each of Patceljon and Jo-L from John Tan for an aggregate consideration of S\$1.44 million,

to be satisfied by the allotment and issue of 1,164 Shares, 268 Shares and 134 Shares to John Tan, Chai Yee Hoi and Koo Poh Heng Andre respectively.

Pursuant to the acquisitions, AccTax, Patceljon and Jo-L became wholly-owned subsidiaries of our Company.

The consideration for the acquisitions was calculated based on the AccTax Guaranteed Profit per year and the Guaranteed Profit per year and the expected contributions by AccTax, Patceljon and Jo-L to our Group, taking into account synergies from the integration and the streamlining of the various businesses into our Group, on a willing buyer and willing seller basis taking into account the aforementioned rationales, and having regard that John Tan and Koo Poh Heng Andre would be able to recognise a premium on their initial investment in AccTax, Patceljon and/or Jo-L for the risk and time that both John Tan and Koo Poh Heng Andre had incurred.

Pursuant to the Deeds of Novation, the rights to the AccTax Guaranteed Profit and the Guaranteed Profit were novated from John Tan and Koo Poh Heng Andre to our Company.

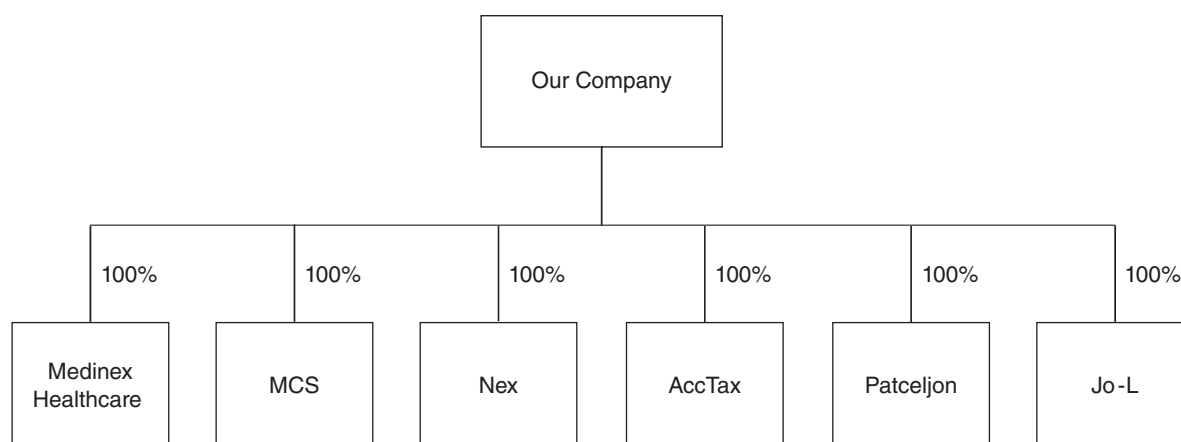
Pursuant to the AccTax SPA and the Patceljon/Jo-L SPA and as novated to our Company pursuant to the Deeds of Novation, in the event of any default by Chai Yee Hoi or Ng Guan

RESTRUCTURING EXERCISE

Kiat and Kheak Sock Lim of their obligations under the AccTax SPA and the Patceljon/Jo-L SPA respectively (including the obligations to pay to the Company the shortfalls in respect of the AccTax Guaranteed Profit and the Guaranteed Profit respectively), Chai Yee Hoi, Ng Guan Kiat and Kheak Sock Lim are liable to indemnify us against any and all losses and claims that we may incur or suffer, including such shortfalls in respect of the AccTax Guaranteed Profit and the Guaranteed Profit (as the case may be). We may also exercise our legal remedies under law in the event of such default by Chai Yee Hoi, Ng Guan Kiat and/or Kheak Sock Lim.

OUR GROUP STRUCTURE

Our Group structure immediately after the Restructuring Exercise and as at the date of this Offer Document is as follows:



Our Subsidiaries

Information on our subsidiaries as at the date of this Offer Document is set out in the table below:

Company	Date and place of incorporation	Principal business activities	Principal place of business	Ownership interest held by our Company (%)
Medinex Healthcare	12 January 2009/ Singapore	Medical Support Services	Singapore	100%
MCS	24 July 2012/ Singapore	Business Support Services	Singapore	100%
Nex	5 July 2017/ Singapore	Medical Support Services/ Pharmaceutical Services	Singapore	100%
AccTax	6 January 2006/ Singapore	Business Support Services	Singapore	100%
Patceljon	17 January 1996/ Singapore	Business Support Services	Singapore	100%
Jo-L	27 November 2012/ Singapore	Business Support Services	Singapore	100%

Save as disclosed above, our Group does not have any subsidiaries or associated companies. Our subsidiaries are not listed on any stock exchange in any jurisdiction.

GENERAL INFORMATION ON OUR GROUP

HISTORY

Our Company was incorporated in Singapore on 12 January 2009 under the Companies Act as a private company limited by shares under the name “JK Bizcomp Pte. Ltd.”. Subsequently, we were renamed “JK Advisors Pte. Ltd.” on 10 May 2011 and “JK Group Solutions Pte. Ltd.” on 27 December 2012. On 2 May 2017, we were renamed “Medinex Pte. Ltd.”. On 9 November 2018, our Company was converted into a public company and was renamed “Medinex Limited”. Our Company’s registration number is 200900689W.

Prior to incorporating our Company, our Executive Director and Chief Executive Officer, Jessie Low, has had extensive experience in providing accounting, audit and tax services, having started her career with Ernst & Young LLP (then known as Ernst & Young) and having been employed by various accounting and audit firms throughout the years while running her own businesses, and was, at one stage during 1995 to 1996, heading the internal audit department in a company listed on the SGX-ST.

Recognising a niche in the market for providing customised and value-added support services to healthcare service providers, coupled with her extensive accounting, audit and tax services experience, Jessie Low incorporated both our Company and Medinex Healthcare on 12 January 2009. Medinex Healthcare is in the business of providing Medical Support Services to our clients, with a focus on secondary healthcare service providers, namely specialists at private clinics.

Subsequently, on 24 July 2012, MCS was incorporated to provide Business Support Services to corporate clients, focusing on small and medium enterprises in various industries, including but not limited to the food and beverage, retail, education and beauty industries.

Since September 2016, our Company has been accredited as an ATO. We adopt the Singapore CA Qualifications training framework, thus providing our employees who have completed their ACCA examinations and who are keen to pursue the practical experience requirements in the Singapore CA Qualifications programme an opportunity to obtain the Chartered Accountant (Singapore) designation.

On 5 July 2017, Nex was incorporated as a private company limited by shares, with its initial subscribers being the Nex Vendors. On the same day, pursuant to the Nex Business Transfer Agreement, Nex acquired the pharmaceutical and medical managed services business of Northeast Health, which include, and are not limited to, (a) the procurement of medical and pharmaceutical products; and (b) the provision of marketing, human resource functions, book keeping and other administrative and other management services. On 27 October 2017, our Company acquired the entire issued and paid-up share capital of Nex from the Nex Vendors as we believe that there are strategic complementary synergies to be realised from the integration of our mutual businesses. Nex is in the business of providing Medical Support Services to primary healthcare service providers, with a focus on general practitioners at private clinics.

On 5 January 2018, our Company acquired 50% of the issued and paid-up share capital of AccTax to expand our range of Business Support Services provided to our clients, in particular for the tax capabilities offered by AccTax, as led by our MD (AccTax), Chai Yee Hoi. AccTax was incorporated on 6 January 2006 and was founded by our MD (AccTax), Chai Yee Hoi, and is primarily engaged in the business of providing Business Support Services, including forensic accounting services and tax advisory services.

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On 15 June 2018, our Company acquired 60% of the issued and paid-up share capitals of Patceljon and Jo-L to further expand our Business Support Services segment. Ng Guan Kiat, our MD (Patceljon and Jo-L), founded the businesses of Patceljon and Jo-L in 2002 and 2012 respectively.

On 5 November 2018, pursuant to the Restructuring Exercise, our Company acquired the remaining 50% of the issued and paid-up share capital of AccTax from John Tan and Koo Poh Heng Andre and AccTax became a wholly-owned subsidiary of our Company. On the same date, our Company acquired the remaining 40% of the issued and paid-up share capitals of each of Patceljon and Jo-L from John Tan, and Patceljon and Jo-L became wholly-owned subsidiaries of our Company.

BUSINESS OVERVIEW

We are a Singapore-based provider of Medical Support Services, specialising in providing professional support services to medical clinics. Our 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 resource management services and corporate secretarial services. We also focus on providing Pharmaceutical Services to our clients, assisting them in procuring medical and pharmaceutical products.

As an ancillary service, we provide Business Support Services to companies outside of the healthcare industry.

During the Period Under Review, our Medical Support Services and Pharmaceutical Services accounted in aggregate for approximately 50.22%, 42.17%, 67.20% and 82.10% of our Group's revenue for each of FY2015, FY2016, FY2017 and HY2018 respectively.

Medical Support Services

Our subsidiaries, Nex and Medinex Healthcare, offer a variety of Medical Support Services to our clients in the primary and secondary healthcare sectors, comprising general practitioners and specialists. The primary healthcare sector encompasses a broad range of health and preventive services, and is the most frequent type of services accessed by the general public in Singapore, while the secondary healthcare sector is provided by medical specialists to whom patients are typically referred from the primary healthcare services.

We provide turnkey solutions (including business modelling and consultancy services) as well as detailed and strategic advice to general practitioners and specialists on establishing their clinic facilities, and have assisted more than 120 general practitioners and specialists in relation to their:

- applications for the requisite medical licences, permits and approvals under the relevant laws and regulations such as the Private Hospitals and Medical Clinics Act (Chapter 248) of Singapore;
- clinic space set-up, which entails choosing suitable locations for establishing a clinic and overseeing the interior fit-out process to meet regulatory requirements;
- implementation of the appropriate information technology applications to support the setting up of information technology, accounting, human resources and medical systems such as clinic management software, as well as troubleshooting operational information technology-related issues that our clients may face;

GENERAL INFORMATION ON OUR GROUP

- development and dissemination of knowledge materials, and conduct training sessions, to develop the skills and competencies of medical service professionals and staff, such as technical clinical equipment and software skills, clinic operation skills and customer relations;
- business support services, including accounting and tax agent services, corporate secretarial services and human resource management services; and/or
- growth and management strategies including business consulting, restructuring, corporate governance and implementing internal control processes.

Our Medical Support Services are offered only in Singapore. Medinex Healthcare provides Medical Support Services to our clients in the secondary healthcare sector, who are predominantly specialists, while Nex provides Medical Support Services to our clients in the primary healthcare sector, who are mainly general practitioners.

Business Processes

We typically provide our Medical Support Services in accordance with the following process:

Business consulting

We first understand the needs and challenges of our clients in respect of their business operations, such as the obtaining and/or renewal of licences with the respective government agencies, barriers to access to advertising and promotional channels or low staff morale and motivation. Thereafter, we perform analyses in terms of funding, shareholders' structure, demographics and competition, assist our clients in sourcing of clinic locations, and present a suitable revenue and business model.

Project management

Upon conducting a detailed analysis of the requirements of our clients, we assist our clients in finalising their budget for capital and operational costs, and clinic locations and premises. We also manage the renovation of the premises, inspection by the Ministry of Health, purchase and installation of medical equipment and purchase of drugs and other consumables. We may tap into our network of contacts to recommend suitable clinic staff for our clients if they require.

Operations management

After setting up a clinic, we provide our various business support services (which are further described below) and undertake marketing campaigns and staff training to ensure that operations run smoothly.

Group practice expansion

If our clients require, we have the capability to assist in sourcing for investors and business partners to explore expansion and growth strategies by way of horizontal or vertical expansion. Through in-depth analysis and exploration, our clients may decide to establish more and new clinics, and the cycle is repeated and we revert to our first stage of our Medical Support Services business model, being business consulting.

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Pharmaceutical Services

We also procure medical and pharmaceutical products for our customers in Singapore. Nex holds a wholesaler's licence in respect of registered therapeutic products and dealer's licence (wholesaler) for Class A and Class A IVD medical devices which enable us to supply certain medical and pharmaceutical products, including but not limited to:

- Augmentin
- Arcoxia
- Anarex
- Panamol
- Mefril
- Cialis
- Codipront

We obtain such medical and pharmaceutical products from authorised distributors in Singapore, including the major suppliers listed in the section entitled "General information on our Group – Our Major Suppliers".

Business Support Services

We provide a spectrum of Business Support Services to assist our clients to benefit from operational and cost efficiencies generated from economies of scale, thereby allowing them to focus on revenue generating activities.

Our key Business Support Services include:

(a) Accounting and tax agent services

We provide our clients with financial accounting and reporting, forensic accounting and tax agent services through our subsidiaries, Medinex Healthcare, MCS, AccTax, Patceljon and Jo-L. Our financial accounting services include book-keeping, preparation of financial statements, payroll processing, payment processing, tax filings and GST accounting. We do not provide auditing services.

As tax agent, we assist our clients in meeting their electronic filing obligations of their corporate income tax returns to IRAS.

(b) Corporate services

We provide incorporation and corporate secretarial services through our subsidiaries, Medinex Healthcare, MCS, AccTax, Patceljon and Jo-L. The Companies Act requires all companies in Singapore to have at least one (1) secretary principally resident in Singapore. The company secretary is responsible for certain obligations, and may be held liable for certain offences, prescribed under the Companies Act, in relation to a company. Currently, our employees act as company secretaries to more than 400 companies.

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Our corporate secretarial services include (i) acting as company secretary and in connection therewith, attending to statutory filing requirements prescribed by the Companies Act and attending meetings of directors and shareholders and recording the proceedings of these meetings; (ii) corporate secretarial advisory; (iii) company incorporation advisory; (iv) foreign company (branch) registration; (v) representative office registration; and (vi) voluntarily striking off of companies.

As registered filing agent, Medinex Healthcare, MCS, AccTax and Patceljon, are authorised to carry out transactions on behalf of our clients with, among others, the Registrar of Companies under the Companies Act.

We also assist our clients with information technology consultancy services and applications for immigration permits, work permits, business licences and registrations. We serve clients over a variety of industries, including but not limited to healthcare, food and beverage, retail, education and beauty.

Our Business Support Services are offered only in Singapore.

MARKETING AND BUSINESS DEVELOPMENT

Our marketing and business development activities are led by Jessie Low, our Executive Director and Chief Executive Officer, who is supported by our Executive Officers and two (2) employees of our Group. The team formulates and implements our growth, corporate development and overall strategy for our businesses. After Listing, we intend to expand and establish a dedicated marketing team to constantly engage current and new clients for our business segments and offer them solutions that are tailored to their needs. Details of our business strategies and future plans are discussed in the section entitled “General Information on our Group – Business Strategies and Future Plans” of this Offer Document.

AWARDS AND ACCREDITATIONS

Our Group has received the following accreditation:

Date of expiry	Name of award or accreditation	Awarding organisation
30 September 2019	ATO to develop candidates towards the attainment of the Chartered Accountant (Singapore) designation through the Singapore CA Qualifications	Singapore Accountancy Commission

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OUR MAJOR CUSTOMERS

Our Group's customer base comprises mainly corporate entities (a) in the business of providing healthcare and medical services, including specialist clinics and general practitioners' clinics; and (b) small and medium enterprises in various industries, including but not limited to the food and beverage, retail, education and beauty industries.

Our major customers which accounted for 5.0% or more of our Group's total revenue for the Period Under Review are as follows:

Customer	Services provided	Percentage of total revenue during Period Under Review (%)			
		FY2015	FY2016	FY2017	HY2018
ERS group ⁽¹⁾ of companies ("ERS Group")	Medical Support Services	5.41	6.34	4.76	2.69
Group of healthcare companies based in Singapore ⁽²⁾	Medical Support Services and Pharmaceutical Services	—	—	20.05	41.79

Notes:

- (1) These companies comprise Eye & Retina Surgeons, ERS Holdings Pte. Ltd., ERS Clinic Pte. Ltd., ERS Novena Pte. Ltd., Eye Associates Services Pte. Ltd., Eye Diagnostics Services Pte. Ltd. and Eye Medical Services Pte. Ltd. The decrease in percentage of total revenue for Medical Support Services provided to the ERS Group during the Period Under Review was due to the overall increase in our Group's revenue year on year.
- (2) This group of healthcare companies comprises 10 entities, of which four (4) of our Shareholders (collectively known as the "HG Shareholders") own 100% of the issued and paid-up share capitals of nine (9) entities and 75% of the issued and paid-up share capital of the tenth entity. The HG Shareholders, who are not related to each other and are not treated as having an interest in the Shares held by each other under Section 4 of the SFA, hold in aggregate 9.80% of our pre-Placement share capital and 7.77% of our post-Placement share capital.

Due to confidentiality obligations, we are not able to disclose the identity of this customer. This group of healthcare companies based in Singapore became a customer of our Group following the acquisition of Nex by our Company in October 2017. This group of healthcare companies contributed approximately 26.04% and 37.71% of the total *pro forma* revenue of our Group for FY2017 and HY2018 respectively. Save for two (2) entities within this group of healthcare companies which each contributed more than 5% but not more than 10% of our Group's total *pro forma* revenue for FY2017 and HY2018, each of the remaining eight (8) entities within this group of healthcare companies contributed less than 5% of our Group's total *pro forma* revenue for FY2017 and HY2018. Although our Group has entered into separate contracts with each of the 10 entities within this group of healthcare companies, the contracts with this group of healthcare companies were negotiated collectively, and accordingly, there is no assurance that termination of such contracts with our Group will not occur collectively. Please refer to the risk factor entitled "We may not be able to attract and retain our customers, including our major customers" as set out in the section entitled "Risk Factors – Risks relating to our businesses and the industries we operate in" for details on the risks associated with our reliance on our major customers.

For more information on the revenue generated by our Group, please refer to the section entitled "Management's Discussion and Analysis of Results of Operations and Financial Position – Overview – Revenue" of this Offer Document.

Our Directors are of the view that, as at the Latest Practicable Date, our business and profitability are not materially dependent on any of our customers. To the best of our Directors' knowledge, we are not aware of any information or arrangement which would lead to a cessation or termination of our current relationship with any of our major customers. Please refer to the risk factor entitled

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“We may not be able to attract and retain our customers, including our major customers” as set out in the section entitled “Risk Factors – Risks relating to our businesses and the industries we operate in” for details on the risks associated with our reliance on our major customers.

Save as disclosed above, as at the Latest Practicable Date, none of our Directors or Substantial Shareholders or their respective Associates has any interest, direct or indirect, in any of our major customers.

OUR MAJOR SUPPLIERS

Our Group’s expenses in respect of our Medical Support Services and Business Support Services business segments comprises mainly rental expenses and professional fees such as human resource management outsourcing fees and sub-contracting fees. In respect of our Pharmaceutical Services business segment, our Group procures pharmaceutical drugs from authorised distributors and/or manufacturers for sale to our customers.

Our major suppliers which accounted for 5.0% or more of our Group’s total purchases for the Period Under Review are as follows:

Supplier	Products supplied/ Services provided	Percentage of total purchases during Period Under Review (%)			
		FY2015	FY2016	FY2017	HY2018
Ark Leadership ⁽¹⁾	Human resource management services	13.94	11.75	5.85	1.16
Zuellig Pharma Pte. Ltd. ⁽²⁾	Pharmaceutical products	–	–	39.69	44.58
DKSH Singapore Pte. Ltd. ⁽²⁾	Pharmaceutical products	–	–	8.57	8.51

Notes:

- (1) The decrease in percentage of total purchases from Ark Leadership during the Period Under Review was due to the overall increase in our Group’s expenses year on year.
- (2) Zuellig Pharma Pte. Ltd. and DKSH Singapore Pte. Ltd. became suppliers of our Group following the acquisition of Nex by our Company in October 2017. Accordingly, only purchases made by Nex in November 2017 and December 2017 have been included in our Group’s total purchases for FY2017. Our Group may purchase pharmaceutical products from a variety of pharmaceutical distributors and/or manufacturers depending on, *inter alia*, the brand of pharmaceutical drugs required by our customers and the pricing for such drugs.

Our Directors are of the view that, as at the Latest Practicable Date, our business and profitability are not materially dependent on any of our suppliers. To the best of our Directors’ knowledge, we are not aware of any information or arrangement which would lead to a cessation or termination of our current relationship with any of our major suppliers. Please refer to the risk factor entitled “We may be unable to find alternative suppliers for our Pharmaceutical Services” as set out in the section entitled “Risk Factors – Risks relating to our businesses and the industries we operate in” for details on the risks associated with our reliance on our distributors.

Save as disclosed in the sections entitled “Interested Person Transactions” and “Potential Conflicts of Interest” of this Offer Document, as at the Latest Practicable Date, none of our

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Directors or Substantial Shareholders or their respective Associates has any interest, direct or indirect, in any of our major suppliers.

INVENTORY MANAGEMENT

As at 30 June 2018, our inventories comprised approximately 6.18% of our total assets. These constitute mainly pharmaceutical products distributed by Nex to our customers. We adopt a weighted average policy for our pharmaceutical products. Our logistics team reviews our inventory levels regularly in order to identify slow-moving or expired pharmaceutical products.

As at the Latest Practicable Date, our inventories amounted to approximately S\$0.49 million. Our inventory turnover days for the Period Under Review were as follows:

	FY2015	FY2016	FY2017	HY2018
Inventory turnover days ⁽¹⁾	N.A. ⁽²⁾	N.A. ⁽²⁾	52.93	53.73

Notes:

(1) Inventory turnover days is computed as follows:

$$\frac{\text{Average inventory balances}}{\text{Cost of sales}} \times \text{Number of days}$$

Where:

“Average inventory balances” is based on the average of the opening and closing inventory balances for the relevant financial year/period.

“Number of days” is defined as the number of calendar days in the relevant financial year/period.

(2) Our Group had no inventory in FY2015 and FY2016.

CREDIT MANAGEMENT

We generally bill our clients on a recurring basis for our Medical Support Services and Business Support Services, either on a monthly or quarterly basis depending on the type of services. We bill our clients for our Pharmaceutical Services upon delivery of the medical and pharmaceutical products. While our payment terms generally provide that payment should be made upon receipt of invoices, certain clients may take between 30 to 90 days to make payment of our fees. As a result of such payments, our trade receivables’ turnover days for the Period Under Review were as follows:

	FY2015	FY2016	FY2017	HY2018
Trade receivables’ turnover days ⁽¹⁾	56.64	39.73	60.22	35.22

Note:

(1) Trade receivables’ turnover days is computed as follows:

$$\frac{\text{Average trade receivables balances}}{\text{Revenue}} \times \text{Number of days}$$

Where:

“Average trade receivables balances” is based on the average of the opening and closing trade receivables balances for the relevant financial year/period.

“Number of days” is defined as the number of calendar days in the relevant financial year/period.

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The decrease in average trade receivables turnover days from FY2015 to FY2016 was mainly due to the increase in revenue in FY2016. The increase in average trade receivables turnover days from FY2016 to FY2017 was mainly due to a slower payment pattern from the customers of Nex.

Our Group monitors the financial standing of our clients on an on-going basis to ensure that our Group is exposed to minimal credit risk. We perform ongoing credit evaluation of our clients' financial condition and generally do not require collaterals.

Our Group will review the trade debts and follow up on the outstanding trade debts. We will provide an allowance for doubtful debts for trade debts that are aged over 90 days and with recoverability issues.

Specific provision or write-off will be made when we are of the view that the collectability of an outstanding trade debt is impaired or the trade debt is uncollectible.

Our bad third parties trade receivables written off for the Period Under Review were as follows:

	← FY2015	Audited FY2016	FY2017 →	Unaudited HY2018
Bad third parties trade receivables written off (S\$'000)	–	–	30 ⁽¹⁾	–
As a percentage of our revenue (%)	–	–	0.99	–
As a percentage of our profit before income tax (%)	–	–	2.99	–

Note:

(1) The bad third parties trade receivables written off in FY2017 were in respect of two (2) clients from our Business Support Services business segment, one of which underwent liquidation, and the other relates to an ad-hoc one-off transaction.

As at 30 June 2018, our Group had made allowance for impairment loss on doubtful receivables which amounted to S\$8,399 based on expected credit losses subsequent to debt recovery assessment made by our management based on past default experience.

The aged analysis of trade receivables past due but not impaired as at the end of the respective reporting periods were as follows:

(S\$'000)	← As at 31 December		→	As at 30 June
	2015	2016	2017	2018
Past due less than one (1) month	45	89	214	263
Past due one (1) to two (2) months	24	47	90	86
Past due two (2) to three (3) months	10	43	42	90
Past due over three (3) months	57	67	34	149

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Outstanding trade receivables aged more than 90 days relate to our Group's clients with a general historical late payment pattern. As at 30 June 2018, outstanding trade receivables aged more than 90 days amounted to S\$149,057. As at the Latest Practicable Date, approximately 74.85% of these trade receivables have been collected.

Credit terms from our suppliers

Generally, our suppliers grant us credit terms ranging from 30 to 60 days from delivery of products. Our trade payables' turnover days for Period Under Review were as follows:

	FY2015	FY2016	FY2017	HY2018
Trade payables' turnover days ⁽¹⁾	N.A. ⁽²⁾	N.A. ⁽²⁾	57.55	46.64

Notes:

(1) Trade payables' turnover days is computed as follows:

$$\frac{\text{Average trade payables balances}}{\text{Cost of sales}} \times \text{Number of days}$$

Where:

"Average trade payables balances" is based on the average of the opening and closing trade payables balances for the relevant financial year/period.

"Number of days" is defined as the number of calendar days in the relevant financial year/period.

(2) Due to the nature of our Group's business in FY2015 and FY2016, there was no cost of sales for FY2015 and FY2016.

QUALITY CONTROL AND ASSURANCE

For our Medical Support Services and Business Support Services, we have implemented internal procedural manuals and ensure that our staff abide by such established procedures and processes to ensure consistency in our services. For instance, in the preparation of year-end financial statements for our clients, an employee completes all items specified on the checklist for preparation of financial statements, which will be reviewed by a senior executive, and finally approved by a partner or member of the senior management of our Group prior to issuance.

We provide our staff with external and internal training on a regular basis to ensure that the engagement team has the appropriate capabilities and competency to assume their roles and duties.

For our Pharmaceutical Services, we have implemented a quality management system designed to ensure that medical and pharmaceutical products are consistently stored and handled as required by the relevant marketing authorisation or product specification, to maintain the quality of medical and pharmaceutical products during storage, transportation and distribution. For example, upon receipt of medical and pharmaceutical products from our distributors, we examine them thoroughly for integrity, ensuring, among others, that the packaging is properly sealed, that the seals will remain intact while the products are being transported and stored and that the shelf lives of the products are sufficiently long. We also keep track of the expiry dates of the medical and pharmaceutical products and will return to the distributors any products that do not comply with our standards or specifications.

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INSURANCE

As at the Latest Practicable Date, we have taken up the following insurance policies to cover, among others, our operations, professional liability and human resources risks:

- business insurance to cover, among others, fire, public liability, theft of money and stock and deterioration of stock;
- professional liability insurance; and
- work injury compensation insurance for employees.

Our Directors believe we have sufficient insurance coverage in accordance with industry standards and business practices. Depending on our Group's expansion plans and growth in operations, we may increase our insurance coverage.

INTELLECTUAL PROPERTY

We currently do not have any intellectual property on which our business or profitability is materially dependent.

Our Group does not own or use any trademark, patent or other intellectual property which are material to our business or profitability.

GOVERNMENT REGULATIONS

We are subject to all relevant laws and regulations in Singapore and may be affected by policies which may be introduced by the government from time to time. We have identified the main laws and regulations (apart from those pertaining to general business requirements) that materially affect our operations, the relevant regulatory bodies and the licences, permits and approvals typically required for the conduct of our business, as follows:

Health Products Act

Pursuant to Section 14 of the Health Products Act, no person shall supply any health product by wholesale unless (a) he holds a valid wholesaler's licence; and (b) the wholesale supply of the health product is carried out in accordance with the conditions of the licence. Further, a wholesaler of any health product shall not use any premises or facility for storing the health product prior to distribution unless the premises or facility is authorised for such use under his wholesaler's licence or the provisions of the Health Products Act, or by the Health Sciences Authority. Every wholesaler of a health product shall ensure that the wholesale supply of the health product is carried out in accordance with such requirements as may be prescribed. Any person in contravention of the foregoing shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding two (2) years or to both.

As at the Latest Practicable Date, our subsidiary, Nex, has obtained a wholesaler's licence for registered therapeutic products and a dealer's licence (wholesaler) for Class A and Class A IVD medical devices to be stored at its registered office and business address, 994 Bendemeer Road, #06-09 B Central, Singapore 339943.

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ACRA Act and ACRA (Filing Agents) Regulations

Pursuant to section 28C of the ACRA Act, with effect from 15 May 2015, a person may carry out a transaction with the Registrar (“**Registrar**”) appointed under a scheduled legislation (which includes the Companies Act, the Limited Liability Partnerships Act (Act 5 of 2005) of Singapore and the Limited Partnerships Act 2008 (Act 37 of 2008) using Bizfile on behalf of another person only if the first-mentioned person is a registered filing agent.

Section 28F of the ACRA Act provides that a person shall not be registered as a registered filing agent, or have his registration renewed, unless, among other criteria:

- (a) the person meets at least one of the following criteria:
 - (i) the person is a registered qualified individual who will carry out, or supervise the carrying out of, transactions with the Registrar;
 - (ii) the person is a partnership, limited liability partnership or limited partnership, in which there is at least one partner who is a registered qualified individual who will be appointed to carry out, or supervise the carrying out of, transactions with the Registrar; or
 - (iii) the person employs or engages a registered qualified individual to carry out, or to supervise the carrying out of, transactions with the Registrar;
- (b) the person is one of the following:
 - (i) an individual or a partnership registered as carrying on business under the Business Names Registration Act 2014 (No. 29 of 2014);
 - (ii) a company incorporated under the Companies Act;
 - (iii) a limited liability partnership registered under the Limited Liability Partnerships Act; or
 - (iv) a limited partnership registered under the Limited Partnerships Act;
- (c) if the person is an individual, he has successfully completed such courses and training as may be prescribed; and
- (d) if the person is not an individual, the directors, the partners, and the individuals directly or indirectly taking part in or concerned in the management, of that person, have successfully completed such courses and training as may be prescribed.

The Chief Executive of ACRA may refuse to register or renew the registration of a person as a registered filing agent if, in the case where the applicable is not an individual:

- (a) any director, partner or individual directly or indirectly taking part in or concerned in the management of the applicant has been convicted (whether in Singapore or elsewhere) of any offence involving fraud or dishonesty punishable with imprisonment for three (3) months or more;

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- (b) any director, partner or individual directly or indirectly taking part in or concerned in the management of the applicant is an undischarged bankrupt, whether in Singapore or elsewhere; or
- (c) the Chief Executive is otherwise not satisfied that the applicant is a fit and proper person to be so registered, or that any of its directors or partners or any individual directly or indirectly taking part in or concerned in the management of the applicant, is a fit and proper person.

The factors which the Chief Executive may consider in determining whether an applicant for registration as a registered filing agent is a fit and proper person are set out in Paragraph 6 of the ACRA (Filing Agents) Regulations. These include, among others, the applicant's previous conduct and compliance history as a registered filing agent, whether the applicant has acted in a manner that adversely reflects on its commercial integrity and whether the applicant has the capacity and capability to properly fulfil the obligations of a registered filing agent and the terms and conditions of registration.

Every registered filing agent shall comply with the following conditions:

- (a) to perform such customer due diligence measures to detect or prevent money laundering and the financing of terrorism as may be prescribed;
- (b) to cease to act as filing agent for a person if the registered filing agent is unable to complete the prescribed customer due diligence measures in respect of that person;
- (c) to keep, in such manner and for such minimum period as may be prescribed, all records obtained through the prescribed customer due diligence measures, including (but not limited to) all copies or records of any identification document, accounts and business correspondence, as well as the results of any analysis undertaken; and
- (d) such other terms and conditions of registration as may be prescribed.

As at the Latest Practicable Date, our subsidiaries, AccTax, MCS, Medinex Healthcare and Patceljon, are registered as registered filing agents.

Personal Data Protection Act 2012 (No. 26 of 2012) (the "PDPA")

The PDPA governs the collection, use and disclosure of individuals' personal data by organisations. An organisation is required to comply with the following obligations:

- (a) obtain the consent of the individual before collecting, using or disclosing his personal data, save in situations required and authorised under the PDPA or any other written law;
- (b) may collect, use or disclose personal data about an individual only for purposes that a reasonable person would consider appropriate in the circumstances and, if applicable, have been notified to the individual concerned;
- (c) notify the individual of the purpose(s) for which it intends to collect, use or disclose the individual's personal data on or before such collection, use or disclosure of the personal data;

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- (d) upon request, (i) provide an individual with his or her personal data in the possession or under the control of the organisation and information about the ways in which the personal data may have been used or disclosed during the past year; and (ii) correct an error or omission in an individual's personal data that is in the possession or under the control of the organisation;
- (e) make a reasonable effort to ensure that personal data collected by or on behalf of the organisation is accurate and complete if the personal data is likely to be used by the organisation to make a decision that affects the individual concerned or disclosed by the organisation to another organisation;
- (f) protect personal data in its possession or under its control by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks;
- (g) cease to retain documents containing personal data, or remove the means by which the personal data can be associated with particular individuals as soon as it is reasonable to assume that (i) the purpose for which the personal data was collected is no longer being served by retention of the personal data; and (ii) retention is no longer necessary for legal or business purposes;
- (h) not transfer personal data to a country or territory outside Singapore except in accordance with the requirements prescribed under the PDPA; and
- (i) develop and implement the necessary policies and practices in order to meet its obligations under the PDPA and make information about its policies and practices available on request.

If an organisation is found to be in breach of the PDPA, the Personal Data Protection Commission may require the organisation to (i) stop collecting, using or disclosing personal data in contravention of the PDPA; (ii) destroy personal data collected in contravention of the PDPA; (iii) provide access to or correct the personal data; and/or (iv) pay a financial penalty of an amount not exceeding S\$1 million.

Save as disclosed herein, we do not require any other material licences, registrations, permits or approvals in respect of our operations apart from those pertaining to general business registration requirements. As at the Latest Practicable Date, our Directors believe that we are not in breach of any laws or regulations applicable to our business operations that would materially affect our business operations.

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The following is a list of the licences, permits and approvals required for our business operations in Singapore:

Licence, Permit or Approval	Issued to	Issuing Organisation	Description	Expiry Date
Wholesaler's Licence – Therapeutic Products	Nex	Health Sciences Authority	Licence for wholesale of registered therapeutic products under Section 14 of the Health Products Act	24 July 2019
Dealer's Licence – Wholesaler (Class A, Class A IVD)	Nex	Health Sciences Authority	Licence to supply by wholesale Class A and Class A IVD medical devices	12 August 2019
Registered Filing Agent	AccTax	ACRA	Certificate for registration as filing agent under Section 28F of the ACRA Act	1 April 2019
Registered Filing Agent	MCS	ACRA	Certificate for registration as filing agent under Section 28F of the ACRA Act	19 May 2019
Registered Filing Agent	Medinex Healthcare	ACRA	Certificate for registration as filing agent under Section 28F of the ACRA Act	25 June 2019
Registered Filing Agent	Patceljon	ACRA	Certificate for registration as filing agent under Section 28F of the ACRA Act	1 April 2019

Barring any unforeseen circumstances, our Directors do not foresee any difficulty in renewing the licences, permits or approvals stated above, which are expiring within 12 months from the date of this Offer Document.

Late lodgement of statutory returns

Due to administrative oversight, some of our Group Companies have historically been late with lodging statutory notifications relating to certain corporate actions such as filing of annual returns, which resulted in composition fines being paid to ACRA pursuant to the Companies (Fees and Late Lodgment Penalties) Regulations 2015. Such composition fines amounted to an aggregate of S\$1,620 for the Period Under Review and for the period from 1 July 2018 to the date of this Offer Document and each of which did not exceed S\$300 in quantum. During the Period Under Review and for the period from 1 July 2018 to the date of this Offer Document, such composition fines imposed on our Group were not significant and did not have a material effect on our business or financial condition.

GENERAL INFORMATION ON OUR GROUP

We have since implemented relevant processes and procedures to ensure that our Group will comply with all applicable governmental regulations. As at the Latest Practicable Date, we have implemented the following measures:

- (a) our Financial Controller, Low Siam Kiang, will assist to ensure that our Group complies with the necessary corporate and regulatory requirements;
- (b) our two (2) Independent Directors have, *inter alia*, overall responsibility in overseeing and managing the corporate governance of our Group;
- (c) we have appointed an external third party corporate secretarial firm to assist our Group in our continuing listing obligations relating to board meetings, annual general meetings, annual reports, announcements, compliance with the Code of Corporate Governance 2018 and general compliance; and
- (d) we will appoint a competent and independent third party to review the internal control system and procedures of our Group on an annual basis and whenever necessary to ensure that our Group's internal controls are robust and effective in order to maintain an effective control environment.

PROPERTIES AND FIXED ASSETS

As at the Latest Practicable Date, our Group does not own any properties. The following table sets out the properties leased by our Group as at the Latest Practicable Date:

Tenant/ Lessee	Lessor/ Sub-lessor	Location	Area (sq m)	Tenure	Description of Use
AccTax	John Tan	338 Ang Mo Kio Avenue 1, #01-1647, Singapore 560338	76	Three (3) years commencing from 1 August 2018 to 31 July 2021, with an option to renew for a further 36 months	Office
Jo-L	Duke Holdings Pte. Ltd.	10 Anson Road, #16-16 International Plaza, Singapore 079903	43.94	Two (2) years commencing from 1 December 2016 to 30 November 2018, renewed for a further two (2) years commencing from 1 December 2018 to 30 November 2020 and with an option to renew for a further two (2) years	Office
MCS	Berlin Holdings Pte. Ltd.	3 Coleman Street, #04-35 Peninsula Shopping Complex, Singapore 179804	34	One (1) year commencing from 1 August 2018	Office

GENERAL INFORMATION ON OUR GROUP

Tenant/ Lessee	Lessor/ Sub-lessor	Location	Area (sq m)	Tenure	Description of Use
Medinex Healthcare	JK Group Services Pte. Ltd.	111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098	165	Three (3) years commencing from 1 July 2016, with an option to renew for a further three (3) years	Office
Nex	Northeast Health	994 Bendemeer Road, #06-09 B Central, Singapore 339943	443	Nine (9) years commencing from 8 August 2017, with an option to renew for a further three (3) years	Office and warehouse for storage of medical and pharmaceutical products
Patceljon	DBS Trustee Limited as trustee of Mapletree Industrial Trust	1003 Bukit Merah Central, #06-13, Singapore 159836	80	Three (3) years commencing from 16 June 2017 to 15 June 2020	Information technology consultancy services

To the best of our Directors' knowledge and belief, there are no regulatory requirements that may materially affect our Group's utilisation of tangible fixed assets.

Pursuant to the terms of the leases entered into by AccTax, Jo-L, Medinex Healthcare, Nex and Patceljon, the lessor is entitled to unilaterally terminate the relevant lease in the event of, among others, non-performance or default by the lessee of the covenants stipulated in such lease. Our Directors are of the view that any unilateral termination by any lessor is unlikely to have a material impact on our Group's business or operations as we believe that we will be able to secure leases for alternative premises in the event of such termination.

RESEARCH AND DEVELOPMENT

We do not undertake research and development activities as the nature of our business does not require any research and development.

ORDER BOOK

Due to the nature of our business, we do not maintain an order book.

COMPETITION

To the best of our knowledge and belief, there are no competitors with a business model that is similar to ours.

We may face competition from existing business consultancy services and business support services providers who may also be able to provide business support services to primary and/or secondary healthcare service providers. Nevertheless, we believe that our competitive strengths as a specialised Medical Support Services provider will enable us to compete effectively in this space and we are able to differentiate our Group from our competitors.

GENERAL INFORMATION ON OUR GROUP

COMPETITIVE STRENGTHS

We believe that our Group is able to compete effectively with the following competitive strengths:

We are a comprehensive integrated Medical Support Services provider

We believe that we operate a comprehensive integrated Medical Support Services business model as we place great emphasis on understanding first the needs and requirements of our customers and providing them with customised solutions, and supporting them through the entire business and operations process as detailed in the section entitled “General Information on our Group – Business Overview” of this Offer Document.

Through our various subsidiaries, we are able to provide turnkey Medical Support Services, which enable us to address our customers’ business needs effectively and holistically, assisting our customers’ in assessing and identifying the inadequacies and challenges of their current business models and systems and proposing and implementing solutions to address any deficiencies. With a comprehensive range of business solutions, we offer our customers a one-stop shop, removing the need for our customers to deal with multiple service providers for their various needs and requirements which generally entails higher costs.

Our Medical Support Services are complemented by our Pharmaceutical Services and Business Support Services. We believe that our full spectrum of support services sets us apart from our competitors, enabling us to expand our customer base and secure continuing business from our customers.

We have a strong and experienced management team

We are led by a strong and experienced management team which possesses deep industry knowledge and know-how, each member of whom has more than 20 years of experience in their areas of expertise. Prior to establishing our group, our Executive Director and Chief Executive Officer, Jessie Low, has had extensive experience in providing accounting, audit and tax services, having been in the employment of Ernst & Young LLP and various accounting and audit firms including Tan, Chan & Partners, J C Chen & Associates and Ark Alliance LLP and from 1995 to 1996, heading the internal audit department in company listed on the Mainboard of the SGX-ST. With more than 20 years of experience, Jessie Low played an instrumental role in growing her clients’ businesses, and our Group has since established an enduring network of clients for whom we continue to provide business consultancy, accounting and corporate secretarial services. Our Chief Operating Officer, Lee Kim Hung, has held various strategic and management roles including 17 years of service in the Singapore Armed Forces, and more than two (2) years as Chief Executive Officer of the Singapore Badminton Association. Prior to joining Nex in November 2017, Lee Kim Hung was Chief Operating Officer and thereafter Chief Executive Officer at Northeast Health, where he oversaw all aspects of Northeast Health’s pharmaceutical and managed services business. Our MD (AccTax), Chai Yee Hoi, has undertaken tax assignments and provided tax advice for more than 25 years since 1993. Our MD (Patceljon and Jo-L), Ng Guan Kiat, has had extensive experience in bookkeeping for various multinational companies and listed companies before establishing the Business Support Services business of Patceljon in 2002 and Jo-L in 2012. Our Financial Controller, Low Siam Kiang, has been involved in the accounting and finance functions of various companies since the start of her career and was in charge of the accounts department of Sun Express Logistics Pte Ltd since 2006 prior to joining our Group in 2010. We believe that the rich experience of our management team is key to our success.

Please refer to the sections entitled “Directors, Executive Officers and Employees – Directors” and “Directors, Executive Officers and Employees – Executive Officers” of this Offer Document for further details on the professional experience and qualification of our Directors and Executive Officers.

GENERAL INFORMATION ON OUR GROUP

We maintain long-standing and established relationships with our customers

More than 39% of our customers have been engaging our Group's services for more than five (5) years and more than 18% of our customers have been engaging our Group's services for more than 10 years. We have an established relationship with many of our customers, both in terms of the length of time we have served them and the depth of our relationships with them.

We believe that our customers, who are mainly healthcare service providers, are generally discerning and selective in who they choose to work with. As a result, we believe that our strong and long-standing relationships with them, together with our proven track record and high customer satisfaction levels, place us in a favourable position to maintain our existing relationships with these customers. In addition, we also benefit constantly from word-of-mouth referrals from satisfied customers, which afford us significant competitive advantages in obtaining new customers. This is evident in our growing customer base.

We have cultivated an extensive network of relationships and are familiar with the business and regulatory landscape and requirements of the healthcare industry

Our Executive Director and Chief Executive Officer, Jessie Low, has, since 2006, provided Medical Support Services to her clients and we have provided Medical Support Services to our customers since 2009. Being in the healthcare industry for almost a decade, we have cultivated an extensive network of relationships with doctors, business consultants, lawyers, accountants, auditors, bankers, landlords and commercial enterprises in the healthcare industry, and have a strong understanding of the functions and operations of the local authorities and governmental agencies, in particular licensing and filing requirements in relation to our Medical Support Services.

We are able to leverage on our network of contacts and familiarity with the business and regulatory landscape in Singapore to support our Medical Support Services, such as sourcing for suitable locations for clinic premises, linking our customers up with investors and business partners and applications for new or renewal of licences. We believe that we have built up a reputation as a provider of value-added Medical Support Services in Singapore.

PROSPECTS AND TREND INFORMATION

The demand for our Group's services is likely to increase in the future due to the following reasons:

(a) Increasing demand for medical services

As we are a Singapore-based provider of Medical Support Services, increased demand for medical services in Singapore could bolster the demand by primary and secondary healthcare providers for our Group's Medical Support Services. There are several factors which are likely to result in the demand for medical services in Singapore, as follows:

Rapidly ageing population

With falling birth rates and increasing lifespans, Singapore's citizen age profile will shift – it is estimated that the number of Singapore citizens aged 65 and above will reach 900,000 by 2030⁽¹⁾. With a shift in demographic profile and accordingly, the nature of healthcare needs, our Directors and the Vendor believe that there will be a corresponding increase in the number of registered medical practitioners, both specialists and general practitioners, to fulfil such demand. Based on publicly available statistics, the number of registered medical

GENERAL INFORMATION ON OUR GROUP

practitioners has steadily risen over the past five (5) years and our Directors and the Vendor consider that the expansion of the market presents opportunities for our Group as we currently service a relatively small percentage of the total number of private clinics in Singapore.

Increasing affluence

Our Directors and the Vendor believe that with steadily rising income levels, with annual gross national income per capita at current market prices increasing from approximately S\$53,666 in 2008 to S\$76,863 in 2017⁽²⁾, private healthcare services will become increasingly affordable vis-à-vis household income. Correspondingly, Singapore citizens and residents may demand more high quality and holistic medical services and accordingly, may lead to an increase in the number of practising medical professionals who may in turn seek our Group's Medical Support Services and Pharmaceutical Services.

(b) Increasing awareness of data privacy protection

In June 2018, the patient database of Singapore's largest group of healthcare institutions, the SingHealth group, was hacked, resulting in the personal particulars of some 1.5 million patients being stolen.

Our Directors and the Vendor believe that as a result of this massive data breach, there will be increased scrutiny on medical and other service providers to put in place adequate security measures to protect personal data of consumers. To this end, our Group's suite of Medical Support Services and Business Support Services, which include, among others, implementation of appropriate information technology applications and training and development of professionals and staff to handle patient and client information, will be crucial for our customers.

Save as disclosed above, and as disclosed in the section entitled "Risk Factors" of this Offer Document and barring any unforeseen circumstances, our Directors are not aware of any other prospects for the next 12 months from the Latest Practicable Date, or any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled "Cautionary Note on Forward-Looking Statements" of this Offer Document.

Notes:

- (1) Source: <https://www.mti.gov.sg>. From the report "*A Sustainable Population for a Dynamic Singapore – Population White Paper*" published in January 2013. The Ministry of Trade and Industry has not provided its consent, for the purpose of section 249 of the SFA, to the inclusion of the information extracted from the relevant report and is therefore not liable for such information under sections 253 and 254 of the SFA. While we and the Vendor have taken reasonable actions to ensure that the information from the relevant report has been reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of us, the Vendor or any party has conducted an independent review nor verified the accuracy or completeness of such information.
- (2) Source: Information provided on the Department of Statistics Singapore website <https://www.singstat.gov.sg>. The Department of Statistics Singapore has not provided its consent, for the purpose of section 249 of the SFA, to the inclusion of the information extracted from the website and is therefore not liable for such information under sections 253 and 254 of the SFA. While we and the Vendor have taken reasonable actions to ensure that the information from the website has been reproduced in its proper form and context, and that the information is extracted accurately and fairly from such website, none of us, the Vendor or any other party has conducted an independent review nor verified the accuracy or completeness of such information.

GENERAL INFORMATION ON OUR GROUP

BUSINESS STRATEGIES AND FUTURE PLANS

(a) Realise synergies among our subsidiaries acquired pursuant to the Restructuring Exercise

Pursuant to the Restructuring Exercise, our Group has acquired various subsidiaries which collectively provide a broad spectrum of Medical Support Services, Pharmaceutical Services and Business Support Services. Led by our Executive Director and Chief Executive Officer, Jessie Low, and our Executive Officers who have a wealth of experience and in-depth knowledge of the Medical Support Services, Pharmaceutical Services and/or Business Support Services industries, we are well-positioned as an integrated provider of Medical Support Services, specialising in providing customised and value-added support services to healthcare service providers.

By integrating various services, we believe that we are able to realise synergies and benefit from the current and expanding customer base of our subsidiaries and serve our customers as a one-stop value-added service provider.

(b) Expand our marketing and business development team

We plan to expand our marketing and business development team through hiring of additional marketing personnel or acquiring marketing companies. Currently, our marketing and business development activities are led by Jessie Low, our Executive Director and Chief Executive Officer, and she is supported by our Executive Officers and two (2) employees of our Group. We intend to bolster our marketing and business development activities and capabilities to reach out to a wider and larger customer base, as well as to support our clients in their marketing and business development activities.

(c) Expand our Group's business operations via acquisitions, joint ventures and/or strategic partnerships

We may expand our business operations, whether in Singapore or overseas, through acquisitions, joint ventures and/or strategic alliances that we believe will complement our current and future businesses and be aligned with our longer-term interests. We believe that suitable acquisitions, joint ventures and/or strategic alliances will strengthen our competitive advantage by giving us access to new markets, customers and businesses.

After the Listing, we may, depending on factors such as prevailing market conditions and our Group's financial performance, decide to acquire Ark Leadership, which currently provides human resources consulting services to our Group. Pursuant to the Ark Leadership ROFR Agreement, we have obtained, for a nominal consideration of S\$1, a right of first refusal in relation to the entire issued and paid-up share capital of Ark Leadership in the event that Valerie Low (i) desires to sell or transfer any of the shares of Ark Leadership, at a price to be agreed between our Company and Valerie Low; or (ii) receives an offer from a proposed purchaser to purchase any of such shares of Ark Leadership, at a price no more than the same consideration as that offered by the proposed purchaser, for the period commencing from the date of Listing and for so long as the Shares of our Company continue to be listed and traded on Catalist and as long as Jessie Low Mui Choo and/or her Associates is a Director, the Chief Executive Officer, or a Controlling Shareholder of our Company. We will comply with the relevant laws, regulations and other requirements which may be applicable to us, including but not limited to Chapters 9 and 10 of the Catalist Rules, in respect of the acquisition of Ark Leadership. We may, at any time prior to completion of the acquisition of

GENERAL INFORMATION ON OUR GROUP

Ark Leadership, terminate the Ark Leadership ROFR Agreement by serving a written notice to Valerie Low in the event that, among others, Valerie Low is in material breach of her obligations under the Ark Leadership ROFR Agreement which is not capable of being remedied, or (if capable of being remedied) is not remedied within 30 days of our serving of written notice to request the remedy of such breach. Valerie Low has also undertaken that she shall indemnify our Group for all claims and damages that we may incur by reason of her breach of any of the provisions of the Ark Leadership ROFR Agreement.

We believe that the acquisition of Ark Leadership will provide our Group with an additional competitive advantage and allow us to expand our existing service offerings.

We will explore acquisitions, joint ventures and/or strategic partnerships with prudence and will consider opportunities which will complement our existing operations and which are also beneficial to our strategic long-term objectives.

We have earmarked approximately S\$4.00 million of the net proceeds raised from the allotment and issue of the New Shares in the Placement for such expansion plans.

INTERESTED PERSON TRANSACTIONS

In general, transactions between our Group and any of its interested persons (namely, our Directors, Chief Executive Officer, Controlling Shareholders or any Associates of such Directors, Chief Executive Officer, or Controlling Shareholders) ("**Interested Persons**" and each, an "**Interested Person**") would constitute interested person transactions for the purposes of Chapter 9 of the Catalist Rules.

Details of the present and ongoing transactions as well as past transactions between our Group and Interested Persons which are material in the context of the Placement are set out below. Save as disclosed in this section and in the sections entitled "Share Capital" and "Restructuring Exercise" of this Offer Document, there are no material interested person transactions for FY2015, FY2016, FY2017, HY2018 and for the period from 1 July 2018 to the Latest Practicable Date (the "**Relevant Period**").

Save as otherwise provided in this section, investors, upon subscription and/or purchase of the Placement Shares, are deemed to have specifically approved these transactions with our Interested Persons and as such, these transactions are not subject to Rules 905 and 906 of the Catalist Rules to the extent that there are no subsequent changes to the terms of the agreements in relation to each of these transactions.

INTERESTED PERSONS

The following persons or companies who or which (as the case may be) have transacted with our Group during the Relevant Period are as follows:

Interested Persons	Relationship
Jessie Low	Jessie Low is our Executive Director and Chief Executive Officer and accordingly, is an Interested Person.
Karun Letchumanan	Karun Letchumanan is the spouse of Jessie Low. Accordingly, Karun Letchumanan is an Associate of Jessie Low and is an Interested Person.
Ark Assurance	Jessie Low is the sole proprietor of Ark Assurance, an audit firm. Accordingly, Ark Assurance is an Associate of Jessie Low and would constitute an Interested Person.
JL Property Holdings Pte. Ltd. Shine F&B Pte. Ltd.	Jessie Low holds 100% of the issued and paid-up share capitals of each of these entities, which are property holding companies. Accordingly, these entities are Associates of Jessie Low and would constitute Interested Persons.
Berlin Holdings Pte. Ltd. KJPS Invest Pte. Ltd.	Jessie Low holds 50% of the issued and paid-up share capitals of each of these entities, which are property holding companies. Accordingly, these entities are Associates of Jessie Low and would constitute Interested Persons.

INTERESTED PERSON TRANSACTIONS

Interested Persons	Relationship
JK Bizcorp Pte. Ltd.	Jessie Low holds 50% of the issued and paid-up share capital of MPM Investment Holdings Pte. Ltd., which in turn holds the entire issued and paid-up share capital of JK Bizcorp Pte. Ltd. Accordingly, JK Bizcorp Pte. Ltd. is an Associate of Jessie Low and would constitute an Interested Person.
Ark Leadership	The sole shareholder of Ark Leadership is Valerie Low, who is the sister of Jessie Low. Accordingly, Ark Leadership is an Associate of Jessie Low and would constitute an Interested Person.
JK Bizsec	Karun Letchumanan is the sole shareholder of JK Bizsec. Accordingly, JK Bizsec is an Associate of Jessie Low and would constitute an Interested Person.
H.A.N.D.S. Int'l Pte. Ltd. (" H.A.N.D.S. ")	Karun Letchumanan holds 50% of the issued and paid-up share capital of H.A.N.D.S. Accordingly, H.A.N.D.S. is an Associate of Jessie Low and would constitute an Interested Person.
JK Group (F&B) Pte. Ltd. JK Group Holdings Pte. Ltd. JK Group Services Pte. Ltd. JK Strategic Management Pte. Ltd.	Jessie Low and Karun Letchumanan collectively hold more than 30% of the issued and paid-up share capitals of each of these entities, which are property holding companies. Accordingly, these entities are Associates of Jessie Low, and would constitute Interested Persons.
John Tan	John Tan is our Non-executive Chairman and accordingly, is an Interested Person.
Acumen Holdings Pte. Ltd. Shine International Group Pte. Ltd. Shine Medi-Capital	John Tan holds, either alone or with his immediate family, more than 30% of the issued and paid-up share capitals of each of these entities, which are investment holding companies. Accordingly, these entities are Associates of John Tan and would constitute Interested Persons.

INTERESTED PERSON TRANSACTIONS

Interested Persons	Relationship
A'cross Property Investments Pte. Ltd.	Our Independent Non-executive Director, San Wee, holds 30% or more of the issued and paid-up share capitals of each of these entities. Accordingly, these entities are Associates of San Wee and would constitute Interested Persons.
Celebrate Life Holdings Pte. Ltd.	
C'ignatures Event Pte. Ltd.	
Dramaestro Pte. Ltd.	
Hua Cheng Bukit Timah Pte. Ltd.	
Hua Cheng Education Centre Pte Ltd	
Learning Point Holdings Pte. Ltd.	
Mastereign A'cademy Pte. Ltd.	
Mastereign Achievers Pte. Ltd.	
Mastereign Adventures Pte. Ltd.	
Mastereign Centre of Performing Arts Pte. Ltd.	
Mastereign Centre of Performing Arts (Dance) Pte. Ltd.	
Mastereign Centre of Performing Arts (Drama) Pte. Ltd.	
Mastereign Centre of Performing Arts (Music) Pte. Ltd.	
Mastereign Champions Pte. Ltd.	
Mastereign Chinese Language and Cultural Center Pte. Ltd.	
Mastereign Enrichment Pte. Ltd.	
Mastereign Film and Multimedia Pte. Ltd.	
Mastereign Holdings Pte. Ltd.	
Mastereign Learning Journeys Pte. Ltd.	
Mastereign Life Holdings Pte. Ltd.	
Mastereign Media Arts Pte. Ltd.	
Mastereign Millionaire Pte. Ltd.	
Mastereign Multi Sports Development Pte. Ltd.	
Mastereign Multi Sports Pte. Ltd.	
Mastereign Pal Pte. Ltd.	
Mastereign Professionals Pte. Ltd.	
Mastereign Professionals (Career) Pte. Ltd.	
Mastereign Professionals (North East) Pte. Ltd.	
Mastereign Specialists Pte. Ltd.	
Mastereign Specialist (Technical) Pte. Ltd.	
Mastereign Visual Arts Pte. Ltd.	
Musicon Pte. Ltd.	
TMS Industries (S) Pte. Ltd.	

INTERESTED PERSON TRANSACTIONS

Interested Persons	Relationship
Shinex Capital	Shinex Capital is a Controlling Shareholder of our Company and accordingly, is an Interested Person.
HCSS	HCSS is a Controlling Shareholder of our Company and accordingly, is an Interested Person.
CKH (Farrer Park) Pte. Ltd. CKH (Mt A) Pte. Ltd. CKH (Mt. E) Pte. Ltd. HC (GM) Pte. Ltd. HC (Hillford) Pte. Ltd. Heah Sieu Min (Bukit Batok) Pte. Ltd. Heah Sieu Min (Dleedon) Pte. Ltd. Heah Sieu Min (Mt E) Pte. Ltd. Heah & Chia Surgical Associates Pte. Ltd. Hougang Clinic Pte. Ltd. HSN Healthcare group of companies Jason Lim Endoscopy and Surgery Pte. Ltd. Julian Ong Endoscopy & Surgery Pte. Ltd. Lai Bec Pte. Ltd. Malcolm Lim Pte. Ltd. Medical L & C Services Pte. Ltd. Medical Services @ Tampines Pte. Ltd. SHL Group Pte. Ltd.	These entities are or were (as the case maybe) subsidiaries or associated companies of HCSS during the Relevant Period and accordingly, these entities are or were (as the case maybe) Associates of HCSS and would constitute Interested Persons.
Dr. Heah	Dr. Heah is a Controlling Shareholder of our Company and accordingly, is an Interested Person.
Chee & Heah Surgical Associates Pte. Ltd. Heah Hillford Holdings Pte. Ltd. Heah Sen Holdings Pte. Ltd. Heah Sieu Min (Equity) Pte. Ltd. Heah Sieu Min (Novena) Pte. Ltd. Heah Sieu Min (RVP) Pte. Ltd. Heah SM Enterprise Pte. Ltd. Heah SM Investments Pte. Ltd. HSM City Gate Pte. Ltd. King Heah Pte. Ltd. PLS Holdings Pte. Ltd.	Dr. Heah holds 30% or more of the issued and paid-up share capitals of each of these entities. Accordingly, these entities are Associates of Dr. Heah and would constitute Interested Persons.

INTERESTED PERSON TRANSACTIONS

Interested Persons	Relationship
CH Hillford Investments Pte. Ltd. CH Investment Holdings Pte. Ltd. HC3 Pte. Ltd.	Our Controlling Shareholders, Dr. Chia and Dr. Heah, collectively hold 100% of the issued and paid-up share capitals of each of CH Hillford Investments Pte. Ltd. and CH Investment Holdings Pte. Ltd., which are property holding companies. Dr. Chia and Dr. Heah hold 33.33% each in the issued and paid-up share capital of HC3 Pte. Ltd., which is also a property holding company. Accordingly, these entities are Associates of Dr. Chia and Dr. Heah and would constitute Interested Persons.
CKH Investment Holdings Pte. Ltd. Farrer Park Holdings Pte. Ltd. King Chia Pte. Ltd.	Our Controlling Shareholder, Dr. Chia, holds 100% of the issued and paid-up share capitals of each of these entities. Accordingly, these entities are Associates of Dr. Chia and would constitute Interested Persons.

PAST INTERESTED PERSON TRANSACTIONS

Provision of management services by our Company to Ark Assurance, JK Bizcorp Pte. Ltd. and JK Bizsec

On 1 January 2015, our Company had entered into separate management services agreements with Ark Assurance, JK Bizcorp Pte. Ltd. and JK Bizsec for the provision by our Company of management services to Ark Assurance, JK Bizcorp Pte. Ltd. and JK Bizsec, such management services being payroll services and sharing of office premises, as well as the provision of miscellaneous items such as stationeries. The management services agreements with Ark Assurance and JK Bizsec were terminated on 1 June 2017, and the management services agreement with JK Bizcorp Pte. Ltd. was terminated on 1 August 2016. We do not expect to provide such management services to Ark Assurance, JK Bizcorp Pte. Ltd. or JK Bizsec after the Listing.

The aggregate values payable to our Company for the management services from FY2015 to FY2017 are as follows:

(S\$)	FY2015	FY2016	FY2017
Management fees payable by Ark Assurance	210,000	210,000	87,500
Management fees payable by JK Bizcorp Pte. Ltd.	180,000	105,000	—
Management fees payable by JK Bizsec	96,000	96,000	40,000
Total	486,000	411,000	127,500

Our Directors are of the view that the transactions were conducted on an arm's length basis and on normal commercial terms as the fees charged by our Company were based on actual staff cost

INTERESTED PERSON TRANSACTIONS

for providing the payroll services and the market rates of the premises shared and items provided, and were not prejudicial to the interests of our Group and minority Shareholders.

Rental of premises from JK Strategic Management Pte. Ltd.

From FY2015 to FY2016, our Group leased its previous office premises at 81 Ubi Avenue 4, #11-20/21/22, Singapore 408830 from JK Strategic Management Pte. Ltd.

The lease had expired in FY2016 and we do not expect to enter into such transactions with JK Strategic Management Pte. Ltd. after the Listing. The aggregate rental fees payable by our Group for the lease from FY2015 to FY2016 are as follows:

(S\$)	FY2015	FY2016	FY2017
Rental fees payable by our Group to JK Strategic Management Pte. Ltd. in respect of the premises at 81 Ubi Avenue 4, #11-20/21/22, Singapore 408830	79,200	36,600	–

Our Directors are of the view that the rental and other terms and conditions of the lease was on an arm's length basis, based on normal commercial terms and market rates prevailing at the time of the lease, and were not prejudicial to the interests of our Group and minority Shareholders.

Provision of Business Support Services by our Group to Associates of San Wee

In FY2015 and HY2018, our Group had provided Business Support Services, namely corporate secretarial services, to certain Associates of San Wee. The aggregate amounts payable to our Group for the transactions are as follows:

(S\$)	FY2015	FY2016	FY2017	HY2018
Provision of Business Support Services to San Wee's Associates ⁽¹⁾	14,960	–	–	5,100 ⁽²⁾

Notes:

- (1) These entities are: A'cross Property Investments Pte. Ltd., Celebrate Life Holdings Pte. Ltd., C'ignatures Event Pte. Ltd., Dramaestro Pte. Ltd., Hua Cheng Bukit Timah Pte. Ltd., Hua Cheng Education Centre Pte Ltd, Learning Point Holdings Pte. Ltd., Mastereign A'cademy Pte. Ltd., Mastereign Achievers Pte. Ltd., Mastereign Adventures Pte. Ltd., Mastereign Centre of Performing Arts Pte. Ltd., Mastereign Centre of Performing Arts (Dance) Pte. Ltd., Mastereign Centre of Performing Arts (Drama) Pte. Ltd., Mastereign Centre of Performing Arts (Music) Pte. Ltd., Mastereign Champions Pte. Ltd., Mastereign Chinese Language and Cultural Center Pte. Ltd., Mastereign Enrichment Pte. Ltd., Mastereign Film and Multimedia Pte. Ltd., Mastereign Holdings Pte. Ltd., Mastereign Learning Journeys Pte. Ltd., Mastereign Life Holdings Pte. Ltd., Mastereign Media Arts Pte. Ltd., Mastereign Millionaire Pte. Ltd., Mastereign Multi Sports Development Pte. Ltd., Mastereign Multi Sports Pte. Ltd., Mastereign Pal Pte. Ltd., Mastereign Professionals Pte. Ltd., Mastereign Professionals (Career) Pte. Ltd., Mastereign Professionals (North East) Pte. Ltd., Mastereign Specialists Pte. Ltd., Mastereign Specialist (Technical) Pte. Ltd., Mastereign Visual Arts Pte. Ltd., Musicon Pte. Ltd. and TMS Industries (S) Pte. Ltd. These transactions have been aggregated as the quantum of each individual transaction is not significant.
- (2) This is a one-time fee paid by Mastereign Learning Journeys Pte. Ltd. to our Group for ad hoc corporate secretarial services provided by our Group to Mastereign Learning Journeys Pte. Ltd.

Our Directors are of the view that the transactions were conducted on an arm's length basis and on normal commercial terms as the terms and conditions are similar to those that our Group enter into with other customers, and were not prejudicial to the interests of our Group and minority Shareholders.

INTERESTED PERSON TRANSACTIONS

Our Directors (save for San Wee) are of the view that the provision of Business Support Services to the Associates of San Wee will not interfere or be reasonably perceived to interfere with the independent judgement of San Wee as Independent Non-executive Director of our Company and as Chairman of our Nominating Committee, as the quantum of the transactions are relatively small and the terms provided to San Wee's Associates are similar to those that our Group enter into with other customers. We do not expect to enter into such transactions after the Listing. Notwithstanding, in any event, any transactions that San Wee and/or his Associates enter into with our Group will be subject to the review procedures set out in the section entitled "Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions" of this Offer Document and Chapter 9 of the Catalist Rules.

Provision of Business Support Services by MCS to H.A.N.D.S.

In FY2015, MCS provided Business Support Services, namely corporate secretarial services, to H.A.N.D.S., and the aggregate amount paid by H.A.N.D.S. to our Group was S\$1,322.

Our Directors are of the view that the transactions were conducted on an arm's length basis and on normal commercial terms as the terms and conditions are similar to those that our Group enter into with other customers, and were not prejudicial to the interests of our Group and minority Shareholders. Moving forward, any transactions that H.A.N.D.S. enters into with our Group will be subject to the review procedures set out in the section entitled "Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions" of this Offer Document and Chapter 9 of the Catalist Rules.

Provision of Business Support Services by MCS to Ark Leadership

During the Relevant Period, MCS provided Business Support Services to Ark Leadership. Such Business Support Services included accounting and tax advisory and corporate secretarial services, and the aggregate amounts paid by Ark Leadership to our Group was approximately S\$4,079, S\$858 and S\$5,530 in FY2015, FY2016 and FY2017 respectively.

Our Directors are of the view that the transactions were conducted on an arm's length basis and on normal commercial terms as the terms and conditions are similar to those that our Group enter into with other customers, and were not prejudicial to the interests of our Group and minority Shareholders. Moving forward, any transactions that Ark Leadership enters into with our Group will be subject to the review procedures set out in the section entitled "Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions" of this Offer Document and Chapter 9 of the Catalist Rules.

Provision of ad hoc accounting services to HCSS

In FY2016, in connection with the listing of HCSS on Catalist, our Company had assigned our staff to HCSS to provide ad hoc accounting services to HCSS required for purposes of their financial due diligence exercise. We do not expect to provide such ad hoc accounting services to HCSS after the Listing.

The aggregate amount paid by HCSS to our Company was approximately S\$88,246, which was based on a mark-up of the time costs incurred by our staff for the provision of such accounting services. Our Directors are of the view that the transaction was conducted on an arm's length basis and on normal commercial terms as the charge-out rates charged to HCSS are similar to that charged by our Group to other customers which require such ad hoc accounting services, and was not prejudicial to the interests of our Group and minority Shareholders.

INTERESTED PERSON TRANSACTIONS

Provision of Medical Support Services to HCSS and its subsidiaries

During the Relevant Period, our Group provided Medical Support Services to HCSS and its subsidiaries. Such Medical Support Services included accounting and tax advisory and corporate secretarial services. We do not expect to provide Medical Support Services to HCSS and its subsidiaries after the Listing.

The aggregate amounts payable to our Group for the transactions are as follows:

(S\$)	FY2015	FY2016	FY2017
Provision of Medical Support Services to HCSS	200	–	8,632
Provision of Medical Support Services to CKH (Farrer Park) Pte. Ltd.	1,740	–	–
Provision of Medical Support Services to CKH (Mt. E) Pte. Ltd.	24,880	12,320	–
Provision of Medical Support Services to Heah Sieu Min (Bukit Batok) Pte. Ltd.	15,360	6,720	–
Provision of Medical Support Services to Heah Sieu Min (Mt E) Pte. Ltd.	25,160	8,320	–
Provision of Medical Support Services to Hougang Clinic Pte. Ltd.	11,960	6,320	–
Provision of Medical Support Services to Heah & Chia Surgical Associates Pte. Ltd.	5,320	5,320	–
Provision of Medical Support Services to Julian Ong Endoscopy & Surgery Pte. Ltd.	–	–	200
Provision of Medical Support Services to Malcolm Lim Pte. Ltd.	–	150	–
Provision of Medical Support Services to Medical L & C Services Pte. Ltd.	–	–	12
Provision of Medical Support Services to Medical Services @ Tampines Pte. Ltd.	11,460	6,480	–
Provision of Medical Support Services to SHL Group Pte. Ltd.	5,320	–	–
Total	101,400	45,630	8,844

Our Directors are of the view that the transactions were conducted on an arm's length basis and on normal commercial terms as the terms and conditions are similar to those that our Group enter into with other customers, and were not prejudicial to the interests of our Group and minority Shareholders.

INTERESTED PERSON TRANSACTIONS

Advances from/to Jessie Low and/or Karun Letchumanan

During the Relevant Period, Jessie Low and Karun Letchumanan had extended advances to our Group for working capital purposes. Our Company had also extended advances to Karun Letchumanan for the purchase of property. The aggregate amounts of the advances extended by/to Jessie Low and/or Karun Letchumanan to/by our Group during the Relevant Period are as follows:

(S\$)	FY2015	FY2016	FY2017	HY2018
Advances extended by Jessie Low	–	–	58,595	2,559
Advances extended by Karun Letchumanan	521,057	644,168	–	–
Advances extended by our Company to Karun Letchumanan	–	79,497	–	–

Details of the amounts due to/from Jessie Low and Karun Letchumanan as at the end of the relevant financial periods during the Relevant Period are as follows:

(S\$)	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017	As at 30 June 2018
Amount due to Jessie Low	–	–	23,711	–
Amount due to Karun Letchumanan	34,533	63,711	–	–
Amount due from Karun Letchumanan	–	79,497	–	–

As at the Latest Practicable Date, all outstanding amounts due from/to our Group to/from Jessie Low and/or Karun Letchumanan have been fully repaid. Accordingly, there are no outstanding amounts due to/from Jessie Low and/or Karun Letchumanan.

As the advances were unsecured, non-interest bearing and had no fixed terms of repayment, our Directors are of the view that the advances were not provided on an arm's length basis but were not prejudicial to the interests of our Group and minority Shareholders. Our Group does not intend to enter into any transactions of the above nature in the future.

Payments between our Group and Jessie Low and Karun Letchumanan

In FY2015, Karun Letchumanan paid management fees amounting to an aggregate of S\$162,592 on behalf of Medinex Healthcare to our Company. The management fees were payable pursuant to a management agreement dated 1 January 2015 entered into between Medinex Healthcare and our Company.

In FY2015 and FY2016, our Group paid consultancy fees to Ark Assurance in connection with the consulting and advisory services rendered by Jessie Low, as sole proprietor of Ark Assurance, to our Group. In FY2015, the consultancy fees amounted to an aggregate of S\$120,000 and was paid by Karun Letchumanan on behalf of our Group. In FY2016, the consultancy fees amounted to an aggregate of S\$50,000 and was paid directly to Ark Assurance.

INTERESTED PERSON TRANSACTIONS

In FY2016, our Company paid stamp duties and progress billing for property amounting to an aggregate of S\$78,720 on behalf of Karun Letchumanan, who was at the relevant time our Company's director and sole shareholder. As at 31 December 2016, the amount owing to our Group by Karun Letchumanan was S\$78,720.

In FY2017, Jessie Low made payment on behalf of our Group to a Malaysian filing agent amounting to S\$20,762, in connection with certain statutory filings to be made by our Group's client in Malaysia.

As at the Latest Practicable Date, all outstanding amounts due from/to our Group to/from Jessie Low and Karun Letchumanan have been fully repaid. Accordingly, there are no outstanding amounts due to/from Jessie Low or Karun Letchumanan.

As such transactions were unsecured, non-interest bearing and had no fixed terms of repayment and the consultancy fees paid to Ark Assurance were not negotiated, our Directors are of the view that the transactions were not made on an arm's length basis but were not prejudicial to the interests of our Group and minority Shareholders. Our Group does not intend to enter into any transactions of the above nature in the future.

Provision of personal guarantees by Karun Letchumanan

On 4 July 2016 and 5 July 2016, our Company and Medinex Healthcare respectively obtained separate working capital loan facilities from Malayan Banking Berhad. Pursuant to these two (2) facilities, Karun Letchumanan entered into a deed of guarantee in respect of each facility agreement. The largest amount outstanding on this loan during the Period Under Review was approximately S\$221,056 in respect of the facility taken up by our Company, and approximately S\$200,873 in respect of the facility taken up by Medinex Healthcare.

The facilities were obtained by our Company and Medinex Healthcare for working capital purposes, with an interest rate of 6.5% per annum for each facility. The facilities have since been fully settled on 30 June 2017. As no compensation was paid by our Group to Karun Letchumanan for the provision of the personal guarantee, our Directors are of the view that the guarantee was not provided on an arm's length basis but was not prejudicial to the interests of our Group and minority Shareholders. Our Group does not intend to enter into any transactions of the above nature after the Listing.

PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

Lease of office premises from Associates of Jessie Low

On 1 February 2015, MCS entered into a tenancy agreement with Berlin Holdings Pte. Ltd. for the lease of MCS' office premises at 3 Coleman Street, #04-35 Peninsula Shopping Complex, Singapore 179804.

On 1 July 2016, Medinex Healthcare entered into a tenancy agreement with JK Group Services Pte. Ltd. for the lease of Medinex Healthcare's office premises at 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098.

INTERESTED PERSON TRANSACTIONS

The aggregate rental fees for the leases during the Relevant Period are as follows:

(\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Lease of MCS' office premises at 3 Coleman Street, #04-35 Peninsula Shopping Complex, Singapore 179804 from Berlin Holdings Pte. Ltd.	22,000	40,000	10,000	12,000	8,400
Lease of Medinex Healthcare's office premises at 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098 from JK Group Services Pte. Ltd.	–	64,200	128,400	61,400	42,000
Total	22,000	104,200	138,400	73,400	50,400

The lease in respect of 3 Coleman Street, #04-35 Peninsula Shopping Complex, Singapore 179804 is for a period of one (1) year, commencing on 1 August 2018 and ending on 31 July 2019, at a monthly rental fee of S\$2,000. The rental fee of S\$2,000 per month is below the open market rental value of S\$2,380 per month based on an independent valuation conducted by Premas Valuers & Property Consultants Pte Ltd dated 25 July 2018. Based on the said independent valuation conducted on the monthly rental rate, our Directors are of the view that the rental and other terms and conditions of the tenancy are, while not entered into on an arm's length basis and not based on normal commercial terms and market rates, are not prejudicial to the interests of our Group and minority Shareholders.

The lease in respect of 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098 is for a period of three (3) years, commencing on 1 July 2016 and ending on 30 June 2019, with an option to renew for a further three (3) years, at a monthly rental fee of S\$10,000, inclusive of maintenance fees. The rental of S\$10,000 per month inclusive of maintenance fees is below the open market rental value of S\$10,600 per month based on an independent valuation conducted by Premas Valuers & Property Consultants Pte Ltd dated 25 July 2018. Based on the said independent valuation conducted on the monthly rental rate, our Directors are of the view that the rental and other terms and conditions of the tenancy, while not entered into on an arm's length basis and not based on normal commercial terms and market rates, are not prejudicial to the interests of our Group and minority Shareholders.

Lease of AccTax's office premises from John Tan

On 26 July 2018, AccTax entered into a lease agreement with John Tan, our Non-executive Chairman, for the lease of AccTax's office premises at 338 Ang Mo Kio Avenue 1, #01-1647, Singapore 560338. The initial term of the lease is for a period of three (3) years, commencing on 1 August 2018 and ending on 31 August 2021, with an option to renew for a further 36 months.

INTERESTED PERSON TRANSACTIONS

The aggregate rental fees for the lease (including utility costs) during the Relevant Period are as follows:

(\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Lease of AccTax's office premises at 338 Ang Mo Kio Avenue 1, #01-1647, Singapore 560338	–	–	–	–	7,612

The rental of S\$1,500 per month is below the open market rental value of S\$2,050 per month based on an independent valuation conducted by Premas Valuers & Property Consultants Pte Ltd dated 15 August 2018. Based on the said independent valuation conducted on the monthly rental rate, our Directors are of the view that the rental and other terms and conditions of the tenancy, while not entered into on an arm's length basis and not based on normal commercial terms and market rates, are not prejudicial to the interests of our Group and minority Shareholders.

Provision of Business Support Services by our Group to Associates of Jessie Low

Our Group provides Business Support Services which include accounting and tax advisory and corporate secretarial services to Ark Leadership, Berlin Holdings Pte. Ltd., JK Group (F&B) Pte. Ltd., JK Group Services Pte. Ltd., JK Group Holdings Pte. Ltd., JK Strategic Management Pte. Ltd., JL Property Holdings Pte. Ltd., KJPS Invest Pte. Ltd. and Shine F&B Pte. Ltd.

The aggregate amounts payable to our Group for the transactions during the Relevant Period are as follows:

(\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of Business Support Services to Ark Leadership	–	–	–	–	2,000
Provision of Business Support Services to Berlin Holdings Pte. Ltd.	–	–	–	–	2,000
Provision of Business Support Services to JK Group (F&B) Pte. Ltd.	–	–	5,320	–	2,000
Provision of Business Support Services to JK Group Services Pte. Ltd.	–	–	–	–	2,000

INTERESTED PERSON TRANSACTIONS

(S\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of Business Support Services to JK Group Holdings Pte. Ltd.	–	–	–	–	2,000
Provision of Business Support Services to JK Strategic Management Pte. Ltd.	–	–	–	–	2,000
Provision of Business Support Services to JL Property Holdings Pte. Ltd.	–	–	–	–	2,000
Provision of Business Support Services to KJPS Invest Pte. Ltd.	–	–	–	–	2,000
Provision of Business Support Services to Shine F&B Pte. Ltd.	–	–	–	–	2,000
Total	–	–	5,320	–	18,000

Our Directors are of the view that the transactions are conducted on an arm's length basis and on normal commercial terms as the terms and conditions are similar to those that our Group enter into with other customers, and are not prejudicial to the interests of our Group and minority Shareholders.

Provision of Business Support Services by our Group to Associates of John Tan

Our Group provides Business Support Services which include accounting and tax advisory and corporate secretarial services to Acumen Holdings Pte. Ltd., Shine International Group Pte. Ltd. and Shine Medi-Capital.

The aggregate amounts payable to our Group for the transactions during the Relevant Period are as follows:

(S\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of Business Support Services to Acumen Holdings Pte. Ltd.	–	–	–	1,900	–

INTERESTED PERSON TRANSACTIONS

(S\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of Business Support Services to Shine International Group Pte. Ltd.	–	–	–	10,640	–
Provision of Business Support Services to Shine Medi-Capital	–	4,182	1,720	–	2,270
Total	–	4,182	1,720	12,540	2,270

Our Directors are of the view that the transactions are conducted on an arm's length basis and on normal commercial terms as the terms and conditions are similar to those that our Group enter into with other customers, and were not prejudicial to the interests of our Group and minority Shareholders.

Provision of human resources consulting services by Ark Leadership to our Group

Our Group has engaged Ark Leadership to provide human resources consulting services and payroll administration services to us.

The aggregate amounts payable by our Group to Ark Leadership for the transactions during the Relevant Period are as follows:

(S\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of human resources consulting services and payroll administration services by Ark Leadership to our Group	32,300	32,730	50,900	18,500	12,000

Our Directors are of the view that the transactions are not conducted on an arm's length basis and are not on normal commercial terms as we did not obtain alternative fee quotes for such services. However, our Directors are of the view that the terms of the human resources consulting services and payroll administration services supplied to us by Ark Leadership are not less favourable to us than if we had obtained such services from a third party service provider based on the qualifications, experience and services rendered by the director of Ark Leadership, Valerie Low, and Ark Leadership's typical fees for provision of human resource consultancy services to its other clients. Accordingly, our Directors believe that the terms of the transactions are not prejudicial to the interests of our Group and minority Shareholders. Moving forward, any transactions that Ark Leadership enters into with our Group will be subject to the review procedures set out in the section entitled "Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions" of this Offer Document and Chapter 9 of the Catalyst Rules.

INTERESTED PERSON TRANSACTIONS

Provision of Business Support Services by our Group to Shinex Capital

Our Group provides Business Support Services which include accounting and tax advisory and corporate secretarial services to Shinex Capital.

The aggregate amounts payable to our Group for the transactions during the Relevant Period are as follows:

(S\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of Business Support Services to Shinex Capital	–	–	4,047	1,827	7,470

Our Directors are of the view that the transactions are conducted on an arm's length basis and on normal commercial terms as the terms and conditions are similar to those that our Group enter into with other customers, and are not prejudicial to the interests of our Group and minority Shareholders.

Provision of Medical Support Services, Pharmaceutical Services and Business Support Services to HCSS and its Associates

Nex sells medical and pharmaceutical products to the clinics operated by our Controlling Shareholder, HCSS, and its subsidiaries. Our Group also provides Medical Support Services, Pharmaceutical Services and Business Support Services to HSN Healthcare and its related company, which operates a general practitioner clinic in Singapore ("**HSN Group**"). HCSS holds 40% of the issued and paid-up share capital of HSN Healthcare and accordingly, HSN Healthcare is an Associate of HCSS. HCSS is a Controlling Shareholder of our Company and accordingly, HCSS, its subsidiaries and the HSN Group are Interested Persons.

The aggregate amounts payable to our Group for the transactions during the Relevant Period are as follows:

(S\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of Pharmaceutical Services to CKH (Mt A) Pte. Ltd.	–	–	–	649	–
Provision of Pharmaceutical Services to CKH (Farrer Park) Pte. Ltd.	–	–	2,069	1,750	5,920

INTERESTED PERSON TRANSACTIONS

(S\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of Pharmaceutical Services to HC (GM) Pte. Ltd.	—	—	451	147	269
Provision of Pharmaceutical Services to HC (Hillford) Pte. Ltd.	—	—	—	509	265
Provision of Pharmaceutical Services to Heah Sieu Min (Mt. E) Pte. Ltd.	—	—	10,010	15,883	4,440
Provision of Pharmaceutical Services to Heah Sieu Min (Bukit Batok) Pte. Ltd.	—	—	6,015	4,307	4,464
Provision of Pharmaceutical Services to Heah Sieu Min (Dleedon) Pte. Ltd.	—	—	2,737	3,739	2,008
Provision of Pharmaceutical Services to Hougang Clinic Pte. Ltd.	—	—	1,275	4,125	921
Provision of Pharmaceutical Services to Jason Lim Endoscopy and Surgery Pte. Ltd.	—	—	—	—	144
Provision of Pharmaceutical Services to Julian Ong Endoscopy & Surgery Pte. Ltd.	—	—	2,395	1,048	2,518
Provision of Pharmaceutical Services to Lai Bec Pte. Ltd.	—	—	2,812	3,065	3,952
Provision of Pharmaceutical Services to Malcolm Lim Pte. Ltd.	—	—	9,124	9,371	7,936
Provision of Pharmaceutical Services to Medical L & C Services Pte. Ltd.	—	—	1,269	—	—
Provision of Pharmaceutical Services to Medical Services @ Tampines Pte. Ltd.	—	—	565	1,350	1,171

INTERESTED PERSON TRANSACTIONS

(S\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of Medical Support Services, Pharmaceutical Services and Business Support Services to the HSN Group	–	–	64,137	68,207	54,747
Total	–	–	102,859	114,150	88,755

Our Directors are of the view that the transactions are conducted on an arm's length basis and on normal commercial terms as the terms and conditions are similar to those that our Group enter into with other customers, and are not prejudicial to the interests of our Group and minority Shareholders.

Provision of Business Support Services to Dr. Heah and his Associates

Our Group provides personal tax advisory services to Dr. Heah, our Controlling Shareholder, and Business Support Services, including accounting and tax advisory and corporate secretarial services, to Dr. Heah's Associates.

The aggregate amounts payable to our Group for the transactions during the Relevant Period are as follows:

(S\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of tax advisory services by Medinex Healthcare to Dr. Heah	–	–	–	4,240	–
Provision of Business Support Services to Chee & Heah Surgical Associates Pte. Ltd.	5,820	11,460	10,560	11,419	–
Provision of Business Support Services to Heah Hillford Holdings Pte. Ltd.	–	400	1,100	6,670	400
Provision of Business Support Services to Heah Sen Holdings Pte. Ltd.	–	5,320	8,245	1,006	–
Provision of Business Support Services to Heah Sieu Min (Equity) Pte. Ltd.	–	200	500	6,470	–

INTERESTED PERSON TRANSACTIONS

(S\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of Business Support Services to Heah Sieu Min (Novena) Pte. Ltd.	–	5,320	5,532	500	–
Provision of Business Support Services to Heah Sieu Min (RVP) Pte. Ltd.	–	5,720	1,300	6,870	200
Provision of Business Support Services to Heah SM Enterprise Pte. Ltd.	–	5,520	8,400	–	–
Provision of Business Support Services to Heah SM Investments Pte. Ltd.	–	5,320	500	6,470	–
Provision of Business Support Services to HSM City Gate Pte. Ltd.	–	5,320	6,020	705	6,170
Provision of Business Support Services to King Heah Pte. Ltd.	–	–	5,820	6,670	200
Provision of Business Support Services to PLS Holdings Pte. Ltd.	–	5,520	6,620	900	5,520
Total	5,820	50,100	54,597	51,920	12,490

Our Directors are of the view that the transactions are conducted on an arm's length basis and on normal commercial terms as the terms and conditions are similar to those that our Group enter into with other customers, and are not prejudicial to the interests of our Group and minority Shareholders.

Provision of Business Support Services to CH Hillford Investments Pte. Ltd., CH Investment Holdings Pte. Ltd. and HC3 Pte. Ltd.

Our Group provides Business Support Services to CH Hillford Investments Pte. Ltd., CH Investment Holdings Pte. Ltd. and HC3 Pte. Ltd., including accounting and tax advisory and corporate secretarial services.

INTERESTED PERSON TRANSACTIONS

The aggregate amounts payable to our Group for the transactions during the Relevant Period are as follows:

(\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of Business Support Services to CH Hillford Investments Pte. Ltd.	–	400	6,620	6,870	400
Provision of Business Support Services to CH Investment Holdings Pte. Ltd.	–	–	5,820	6,470	–
Provision of Business Support Services to HC3 Pte. Ltd.	–	400	1,300	7,392	400
Total	–	800	13,740	20,732	800

Our Directors are of the view that the transactions are conducted on an arm's length basis and on normal commercial terms as the terms and conditions are similar to those that our Group enter into with other customers, and are not prejudicial to the interests of our Group and minority Shareholders.

Provision of Business Support Services to Associates of Dr. Chia

Our Group provides Business Support Services including accounting and tax advisory and corporate secretarial services to CKH Investment Holdings Pte. Ltd., Farrer Park Holdings Pte. Ltd. and King Chia Pte. Ltd.

The aggregate amounts payable to our Group for the transactions during the Relevant Period are as follows:

(\$)	FY2015	FY2016	FY2017	HY2018	From 1 July 2018 to the Latest Practicable Date
Provision of Business Support Services to CKH Investment Holdings Pte. Ltd.	–	600	6,670	6,870	200
Provision of Business Support Services to Farrer Park Holdings Pte. Ltd.	–	5,520	950	6,670	–
Provision of Business Support Services to King Chia Pte. Ltd.	–	–	5,870	6,670	200
Total	–	6,120	13,490	20,210	400

INTERESTED PERSON TRANSACTIONS

Our Directors are of the view that the transactions are conducted on an arm's length basis and on normal commercial terms as the terms and conditions are similar to those that our Group enter into with other customers, and are not prejudicial to the interests of our Group and minority Shareholders.

GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS

Our Audit Committee will review and approve all interested person transactions to ensure that they are on normal commercial terms and on arm's length basis, that is, the transactions are transacted on terms and prices not more favourable to the Interested Persons than if they were transacted with a third party and are not prejudicial to the interests of our Group and our Shareholders in any way.

To ensure that all future interested person transactions are carried out on normal commercial terms and will not be prejudicial to the interests of our Group or our Shareholders, the following procedures will be implemented by our Group:

- (a) when purchasing any products or engaging any services from an Interested Person, two (2) other quotations from non-Interested Persons will be obtained for comparison to ensure that the interests of our Group and Shareholders are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two other quotations from non-Interested Persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be taken into consideration;
- (b) in the case of renting properties from or to an Interested Person, the Board shall take appropriate steps to ensure that the rent is commensurate with the prevailing market rates, including adopting measures such as making relevant inquiries with landlords of similar properties and/or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The amount payable shall be based on the most competitive market rental rate of similar property in terms of size, suitability for purpose and location, based on the results of the relevant inquiries;
- (c) where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products or services may be purchased only from an Interested Person, the interested person transaction will be approved by either our Executive Director and Chief Executive Officer, if she has no interest in the transaction, or failing which, our Audit Committee, in accordance with our usual business practices and policies. In determining the transaction price payable to the Interested Person for such products and/or service, factors such as, but not limited to, quantity, requirements and specifications will be taken into account; and
- (d) in addition, we shall monitor all interested person transactions entered into by us and categorise these transactions as follows:
 - (i) a Category 1 interested person transaction is one where the value thereof is equal or in excess of 3.0% of the latest audited NTA of our Group; and
 - (ii) a Category 2 interested person transaction is one where the value thereof is below 3.0% of the latest audited NTA of our Group.

INTERESTED PERSON TRANSACTIONS

All Category 1 interested person transactions must be approved by our Audit Committee prior to entry whereas Category 2 interested person transactions need not be approved by our Audit Committee prior to entry but shall be reviewed once every six (6) months by our Audit Committee.

Our Audit Committee will review all interested person transactions, if any, once every six (6) months to ensure that they are carried out on an arm's length basis and in accordance with the procedures outlined above, taking into account all relevant non-quantitative factors. In the event that a member of our Audit Committee is interested in any such transaction, he will abstain from participating in the review and approval process in relation to that particular transaction.

We shall prepare all the relevant information to assist our Audit Committee in its review and will keep a register recording all interested person transactions. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis.

In addition, our Audit Committee and our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules (in particular, Chapter 9) and relevant accounting standards, are complied with. The annual internal audit plan shall incorporate a review of all interested person transactions entered into. Such transactions will also be subject to the approval of our Shareholders if required by the Catalist Rules. We will also endeavour to comply with the recommendations set out in the Code of Corporate Governance 2018.

These internal audit reports will be reviewed by our Audit Committee to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with. Our Audit Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that interested person transactions are conducted on normal commercial terms, on an arm's length basis and do not prejudice our interests and the interests of our Shareholders. Further, if during these periodic reviews by our Audit Committee, our Audit Committee is of the opinion that the guidelines and procedures as stated above are not sufficient to ensure that interested person transactions will be on normal commercial terms, on an arm's length basis and not prejudicial to our interests and the interests of our Shareholders, our Audit Committee will adopt such new guidelines and review procedures for future interested person transactions as may be appropriate.

Disclosure will be made in our annual report of the aggregate value of interested person transactions during the relevant financial year under review.

POTENTIAL CONFLICTS OF INTERESTS

JK Bizsec

Karun Letchumanan, the spouse of our Executive Director and Chief Executive Officer, Jessie Low, is the sole shareholder of JK Bizsec, and holds such shares on trust for Jessie Low. Jessie Low's sister, Valerie Low, is the sole director of JK Bizsec. Prior to the transfer of the corporate secretarial business of JK Bizsec to our Group in June 2017 as disclosed in the section entitled "Restructuring Exercise" of this Offer Document, JK Bizsec was carrying on the business of providing corporate secretarial services to its clients.

JK Bizsec has been a dormant company since the transfer of its entire business to our Group in June 2017. An application has been submitted to ACRA on 16 October 2018 for the striking off of JK Bizsec from the register of companies in Singapore.

Ark Assurance

Our Executive Director and Chief Executive Officer, Jessie Low, is sole practitioner of Ark Assurance, which was registered in 2005 to provide audit and accounting services. Since the incorporation of Medinex Healthcare and MCS, the accounting services provided by Ark Assurance has been transferred to our Group. Ark Assurance currently provides statutory audit services and Jessie Low is a Registered Public Accountant registered with ACRA under Ark Assurance.

Ark Leadership

Jessie Low's sister, Valerie Low, is the sole director and shareholder of Ark Leadership, which provides, *inter alia*, human resources consulting and advisory services to its clients. Ark Leadership provides human resources consulting services and, at the request of Jessie Low, also provides payroll administration services to our Group. Our Group's payroll processing function has been outsourced to Ark Leadership in view of sensitivities in salaries payment. Our Group also provides payroll administration services to our clients as part of our financial accounting services provided to our clients.

While Ark Leadership is not in the business of providing payroll administration services and does not currently provide such services to any of its clients other than our Group, Ark Leadership could potentially provide payroll administration services to its clients in the future. As at the Latest Practicable Date, we have entered into the Ark Leadership ROFR Agreement for the right of first refusal in relation to the entire issued and paid-up share capital of Ark Leadership. Please refer to the section entitled "General Information on our Group – Business Strategies and Future Plans" of this Offer Document for further details.

To mitigate the risks of potential conflicts of interests between our Group and Jessie Low arising from JK Bizsec, Ark Leadership and Jessie Low's involvement in Ark Assurance, our Company, Jessie Low and Ark Assurance have entered into the Jessie Low Non-Competition Deed pursuant to which Jessie Low has undertaken that, among others, during the period commencing on the date of Listing and for so long as the Shares continue to be listed and traded on Catalist, and for so long as Jessie Low and/or any of her Associates is a Director, the Chief Executive Officer and/or or a Controlling Shareholder of our Company ("**Non-Competition Term**"):

- (a) and for so long as Jessie Low is sole proprietor of, and/or holds any interests in, directly or indirectly, Ark Assurance, Jessie Low shall not carry out any business through Ark Assurance, save for the performance of audit services through Ark Assurance only to the extent required for her to meet the minimal standards required, as may be prescribed from time to time, in order for her to maintain her registration as Registered Public Accountant; and

POTENTIAL CONFLICTS OF INTERESTS

- (b) save as otherwise provided for in paragraph (a) above, Jessie Low shall, and shall procure that her Associates shall:
- (i) not, in any capacity either alone or jointly with, through or on behalf of any person or entity, either directly or indirectly, deal in similar products or services as our Group;
 - (ii) not, in any capacity either alone or jointly with, through or on behalf of any person or entity, either directly or indirectly, carry on or be employed, engaged, concerned, provide expertise or be interested in any business that is similar to or which is in competition with our Group's business, as our Group's business may be from time to time;
 - (iii) not, in any capacity either alone or jointly with, through or on behalf of any person or entity, either directly or indirectly, have any interest in, and/or provide any assistance, financial, technical or otherwise, to, any person or entity to carry on any business which is in competition with our Group's business, save for any interest in any securities which are listed on any securities exchange which does not exceed 5% of the aggregate voting rights of such securities;
 - (iv) not, either directly or indirectly, be an executive director and/or hold an executive management position (including but not limited to board membership) in any entity whose business is similar to or in competition with our Group's business;
 - (v) ensure that no company or business in which she and/or any of her Associates, is in the position to control, dominate or influence decision making shall engage in any business that is similar to or which is in competition with our Group's business, as our Group's business may be from time to time;
 - (vi) not, either directly or indirectly, solicit, market to or entice away, any person or corporation who (A) is or has been at any time a customer of our Group; (B) has business dealings with our Group; or (C) is in commercial negotiations with our Group with a view to placing business with our Group;
 - (vii) not, either directly or indirectly, solicit any employee of any of our Group Companies for the employment of herself, any other person or any other company, other than for another Group Company or Group Companies;
 - (viii) not, either directly or indirectly, make use of or disclose or divulge to any third party any confidential information or trade secrets relating to any of our Group Companies, other than information properly available to the public or disclosed or divulged pursuant to an order of a court of competent jurisdiction;
 - (ix) in relation to any trade, business or company, not, either directly or indirectly, use any trade name, trademark or symbol used by our Group at present or in the future (whether registered or not, including but not limited to such words as "Medinex", "Nex Healthcare", "AccTax", "Patceljon" or "Jo-L") in such a way as to be capable of being or likely to be confused with the name of our Company or any of our Group Companies, and shall use all reasonable endeavours to procure that no such name shall be used by any person, firm or company with which it is connected; and

POTENTIAL CONFLICTS OF INTERESTS

- (x) disclose to the Audit Committee her and/or any of her Associates' interests, whether direct or indirect, in respect of any contract, arrangement, proposal, transaction or any other matter whatsoever in which she and/or any of her Associates has any personal material interest or any actual or potential conflicts of interest that may involve her. Upon such disclosure, she and/or any of her Associates shall abstain from voting and recuse herself from discussions in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises, unless and until the Audit Committee has determined that no such conflict of interest exists.

Pursuant to the Jessie Low Non-Competition Deed, Ark Assurance has also undertaken that during the Non-Competition Term and for as long as Jessie Low remains sole proprietor of, and/or holds any interests in, directly or indirectly, Ark Assurance, it shall not:

- (a) either on its own account or in conjunction with or on behalf of any person, firm or company, carry on or be employed, engaged, concerned, provide expertise or be interested directly or indirectly in, any business that is or may be in competition with our Group's business, as our Group's business may be from time to time;
- (b) either on its own account or in conjunction with on behalf of any other person, firm or company, either directly or indirectly, solicit, market to or entice away, any person or corporation who (i) is or has been at any time a customer of our Group; (ii) has business dealings with our Group; or (iii) is in commercial negotiations with our Group with a view to placing business with our Group;
- (c) either on its own account or in conjunction with or on behalf of any other person, firm or company, either directly or indirectly, solicit any employee of our Group Companies for the employment of itself, any other person or any other company, other than our Group Companies;
- (d) either directly or indirectly, make use of or disclose or divulge to any third party any confidential information or trade secrets relating to any of our Group Companies, other than information properly available to the public or disclosed or divulged pursuant to an order of a court of competent jurisdiction; and
- (e) in relation to any trade, business or company, either directly or indirectly, use any trade name, trademark or symbol used by our Group at present or in the future (whether registered or not, including but not limited to such words as "Medinex", "Nex Healthcare", "AccTax", "Patceljon" or "Jo-L") in such a way as to be capable of being or likely to be confused with the name of our Company or any of our Group Companies, and shall use all reasonable endeavours to procure that no such name shall be used by any person, firm or company with which it is connected.

Save as disclosed in the sections entitled "Share Capital", "Restructuring Exercise", "General Information on our Group – Business Strategies and Future Plans", "Interested Person Transactions" and this section entitled "Potential Conflicts of Interest" of this Offer Document, none of our Directors, Controlling Shareholders or any of their Associates has an interest, direct or indirect:

- (i) in any transaction to which our Group was or is to be a party;
- (ii) in any entity carrying on the same business or dealing in similar services which competes materially and directly with the existing business of our Group; and
- (iii) in any enterprise or company that is our Group's major client or supplier of goods and services.

POTENTIAL CONFLICTS OF INTERESTS

Save as disclosed in the sections entitled “Interested Person Transactions”, this section entitled “Potential Conflicts of Interests” and “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document, none of our Directors has any interests in any existing contract or arrangement which is significant in relation to the business of our Company and our subsidiaries, taken as a whole.

Interests of Experts

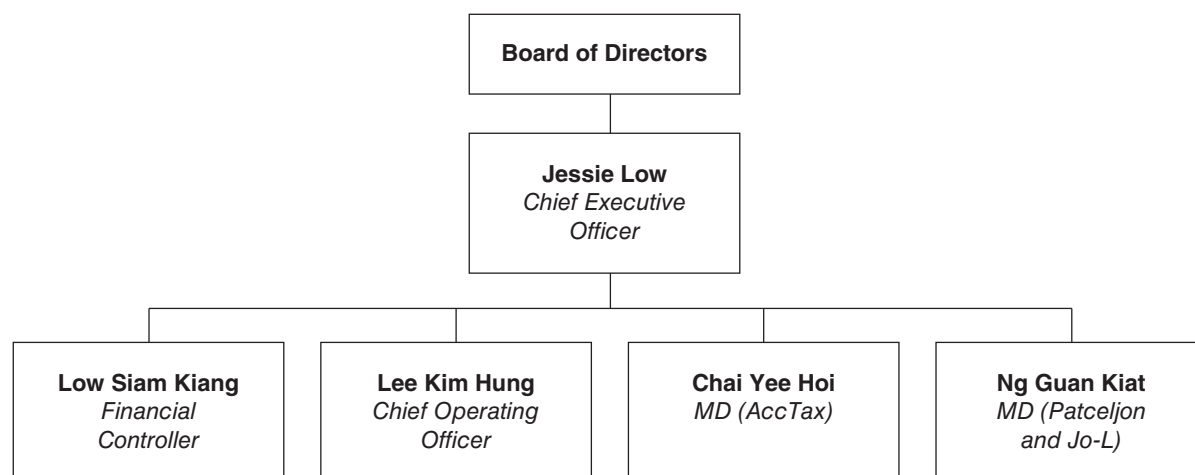
No expert is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two (2) years preceding the date of this Offer Document, been acquired or disposed of by or leased to our Company or its subsidiaries or are proposed to be acquired or disposed of by or leased to our Company or its subsidiaries.

No expert (a) is employed on a contingent basis by our Company or our subsidiaries; (b) has a material interest, whether direct or indirect, in our Shares or the shares of our subsidiaries; or (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

MANAGEMENT REPORTING STRUCTURE

Our management reporting structure is as follows:



DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Group. The particulars of each of our Directors are set out below:

Name	Age	Singapore office address	Position
John Tan	51	c/o 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098	Non-executive Chairman
Jessie Low	51	c/o 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098	Executive Director and Chief Executive Officer
Lim Tai Toon	57	c/o 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098	Lead Independent Non-executive Director
San Wee	65	c/o 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098	Independent Non-executive Director

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

The business and working experience and areas of responsibility of our Directors are set out below:

John Tan was appointed as our Non-executive Chairman on 22 May 2017. John Tan is also a non-executive director of our subsidiary, Nex.

John Tan has more than 20 years of experience in business development, incubating and investing in companies, and project management. John Tan started his career in 1994, assisting his family in establishing construction and property-related businesses in Malaysia. In 1994, he was appointed as director of Asia Progress International Pte Ltd which participated in the Masterplan for Information Technology in Education to roll out the information technology training for teachers from the Ministry of Education in 1996. In 2000, he set up LinksTech Holding Pte Ltd to provide strategic investments in information technology companies. Since then, he has been providing investment and consultancy services to individuals and companies on their investments and merger and acquisition exercises and serves as a director overseeing the investments of his own companies. John Tan was previously an independent director of BRC Asia Limited and Hisaka Holdings Ltd (now known as Regal International Group Ltd.), and a non-executive director of See Hup Seng Limited (now known as SHS Holdings Ltd) and Sibercert Pte Ltd (a subsidiary of PSB Corporation). He is currently a director of Shine International Group Pte. Ltd., which provides business consultancy services, investment in and incubation of sunrise companies for initial public offerings.

John Tan graduated from Oklahoma City University in 1993 with a Bachelor of Science (Summa cum Laude) and obtained a Master of Business Administration (Investment and Finance) from the University of Hull.

Jessie Low was appointed as our Executive Director and Chief Executive Officer on 1 June 2017. Jessie Low is responsible for the overall management, strategic planning and business development of our Group.

Jessie Low commenced her career in Ernst & Young LLP (then known as Ernst & Young) as an audit assistant in 1990. She joined Huan Long Court Chinese Restaurant Pte Ltd as an assistant accountant in 1994 before heading the internal audit department of Pan Malayan Holdings Limited in 1995. In 1996, she founded El-Shaddai Consultants as a sole proprietorship and provided business and system planning advisory services until 2002. She later incorporated JK Corporate Services Pte. Ltd. to undertake the business of El-Shaddai Consultants in 2003. While running her own business, Jessie Low also gained experience in accounting, auditing, tax advisory and corporate secretarial services while in the employment of two other accounting firms, Tan, Chan & Partners from January 2003 to December 2003 and J C Chen & Associates from January 2004 to December 2004. In 2005, she registered Ark Assurance (formerly known as Jessie Karun & Associates) to provide audit and accounting services and her Registered Public Accountant's registration is under Ark Assurance. In 2014, Jessie Low practised as Principal Partner at Ark Alliance LLP until 2017 when she was appointed as the Chief Executive Officer of our Company.

Jessie Low holds a Master of Business Administration from the University of Adelaide. She is an Accredited Tax Practitioner (Income Tax & GST), a Registered Public Accountant, a Fellow of the ISCA, a Member of ACCA and an ASEAN Chartered Professional Accountant.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Lim Tai Toon was appointed as our Lead Independent Non-executive Director on 14 November 2018.

Lim Tai Toon began his career with the Singapore Armed Forces (“**SAF**”) in 1979 for 14 years where he held various senior positions, including the post of Army Budget Controller. After leaving the SAF, Lim Tai Toon has worked for several companies listed on the SGX-ST, serving as Head, Corporate Affairs of Ipco International Limited. from 1994 to 1995, Chairman and Managing Director of Startech Electronics Limited (currently known as Vashion Group Limited) from 2003 to 2006 and Executive Director of Eastgate Technology Ltd from 2006 to 2009. Lim Tai Toon was executive director of Ark Capital Pte. Ltd., which was Financial Advisor to Renewable Energy Asia Group Ltd. in 2010. He is currently Chairman and Executive Director of Ark Lanka Holdings (Private) Limited and Food Studio (Private) Limited and Chairman and Chief Executive Officer of Food Studio Holdings Pte. Ltd. Lim Tai Toon was also a nominee for WestLB AG as creditor of First Engineering Limited in 2008 to 2009 and independent director of Afro-Asia Shipping Company (Private) Limited from 2011 to 2013. Lim Tai Toon is currently an independent director of Medtecs International Corporation Limited, a company listed on the SGX-ST, as Lead Independent Director and Chairman of the Audit Committee.

Lim Tai Toon graduated from the National University of Singapore with a Degree of Bachelor of Accountancy in 1985 and obtained a Master of Business Administration from Brunel University and Master of Business Information Technology from Curtin University of Technology in 1994 and 2004 respectively.

San Wee was appointed as our Independent Non-executive Director on 14 November 2018.

San Wee started his career with Philips Singapore Private Limited as Engineering Specialist from 1975 to 1978. He then spent approximately three (3) years as a lecturer at Ngee Ann Polytechnic and Singapore Polytechnic, before returning to the private sector as process engineer and production superintendent for Philips Electronics Singapore Pte. Ltd. (“**Philips Singapore**”) at its Tuner Factory from 1982 to 1983, and moved to Philips Singapore’s Video Factory to become purchasing manager from 1984 to 1986, and senior procurement manager from 1986 to 1988. San Wee left Philips Singapore in 1988 to pursue his Master in Business Administration. He established and managed the International Procurement Office of the National Organisation Purchasing Centre between 1990 to 1991 and was regional product manager of Philips Lighting Electronics Pte. Ltd. between 1991 to 1992.

San Wee was appointed as Managing Director of Fow Seng Plastic Pte. Ltd. in 1992 and Anchor Electronics Corporation Pte. Ltd. in 1993 to assist these companies in turning around their business. In 1994, San Wee founded Turnaround Management Services Pte Ltd to provide turnaround services for distressed companies.

With a keen interest in providing education for children, San Wee founded the Learning Point group of companies and the Hua Cheng group of companies in 1994 and 2000 respectively.

San Wee graduated with a Bachelor of Science in Engineering from Coventry University in 1981 and obtained his Master in Business Administration from The University of Warwick in 1990.

Rule 406(3)(a) of the Catalist Rules states that as a pre-quotation disclosure requirement, a listing applicant must release a statement (via SGXNET or in the offer document) identifying for each director, whether the person has prior experience (and what) or, if the director has no prior experience as a director of a listed company, whether the person has undertaken training in the roles and responsibilities of a director of a listed company. With regards to Rule 406(3)(a) of the

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Catalist Rules, John Tan and Lim Tai Toon have current and/or prior experience as directors of public listed companies in Singapore and are therefore familiar with the roles and responsibilities of a director of a public listed company in Singapore. Jessie Low and San Wee have attended the relevant training at the Singapore Institute of Directors on 25 September 2018 to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore.

Save as disclosed in the section entitled “Shareholders” of this Offer Document, none of our Directors is related to each other, our Executive Officers or our Substantial Shareholders.

Our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholders.

None of our Independent Directors sits on the board of our subsidiaries.

None of our Directors has any arrangement or understanding with any of our customers or suppliers pursuant to which such person was appointed as our Director.

EXECUTIVE OFFICERS

The day-to-day operations are entrusted to our Executive Director and Chief Executive Officer, Jessie Low, who is assisted by an experienced and qualified team of Executive Officers. The particulars of our Executive Officers (save for our Executive Director and Chief Executive Officer) are set out below:

Name	Age	Singapore office address	Position
Lee Kim Hung	48	c/o 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098	Chief Operating Officer
Low Siam Kiang	45	c/o 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098	Financial Controller
Chai Yee Hoi	54	c/o 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098	MD (AccTax)
Ng Guan Kiat	52	c/o 111 North Bridge Road, #23-04 Peninsula Plaza, Singapore 179098	MD (Patceljon and Jo-L)

The business and working experience and areas of responsibility of our Executive Officers (save for our Executive Director and Chief Executive Officer) are set out below:

Lee Kim Hung was appointed as our Chief Operating Officer on 1 November 2017. He is currently a director of our subsidiary, Nex. In conjunction with the Board, Lee Kim Hung is responsible for developing and executing long-term strategies of our Group, ensuring effective internal controls and management information systems are in place and managing the operations and marketing functions of our Group.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Lee Kim Hung started his career in 1993 with the Singapore Armed Forces, where he held various positions including Programme Manager and Manager, Strategic Plans and Policies in the Army Department of Training, until he left in 2010. From 2010 to 2011, he was Senior Manager, Business Development & Plans at ST Kinetics Pte. Ltd. (now known as Innosparks Pte. Ltd.). From 2011 to 2013, he was Chief Executive Officer of the Singapore Badminton Association. Since 2013, he has been involved in the healthcare business, being Chief Operating Officer and thereafter Chief Executive Officer of Northeast Health. Pursuant to the Nex Business Transfer Agreement, Nex acquired the business of Northeast Health and Lee Kim Hung became the Chief Executive Officer of Nex from August 2017.

Lee Kim Hung holds a Master of Business Administration from Nanyang Technological University and a Masters of Science from the University of Central Florida. He obtained his Bachelors of Engineering (First Class Honours in Aeronautical Engineering) from the University of London in 1993. He was awarded the Singapore Armed Forces Merit Scholarship by the Singapore Armed Forces in 1990.

Low Siam Kiang was appointed as our Financial Controller on 1 July 2017. She is currently a director of our subsidiaries, MCS, Medinex Healthcare, AccTax, Patceljon and Jo-L. As Financial Controller, Low Siam Kiang oversees the operations of the finance team of our Group and ensures that all financial processes, systems and policies are in place and adhered to.

Low Siam Kiang has more than 20 years of experience in accounting and finance, having begun her career in PFS Pte Ltd, an entity in the Prima group of companies, as an accounts executive. In 2000, she was transferred to Prima Modern Machinery Pte Ltd as a senior accounts executive until 2006, when she joined Sun Express Logistics Pte Ltd as accounts supervisor and was in charge of the accounts department. In 2010, she joined our Company as accounts manager, and has been in charge of the finance and accounting matters of our Group since.

Low Siam Kiang is an Accredited Tax Practitioner (Income Tax), a Chartered Accountant of ISCA and an Affiliate Member of ACCA. She obtained her Diploma in Accountancy from Ngee Ann Polytechnic.

Chai Yee Hoi was appointed as MD (AccTax) with effect from 5 January 2018. He is currently a director of our subsidiary, AccTax, and oversees the operations of AccTax.

Chai Yee Hoi started his career as an assistant examiner at the Inland Revenue Department of the Ministry of Finance in 1986. Between 1988 to 1991, he worked as audit assistant and finance and administrative executive in various audit firms and small medium enterprises. In 1993, he joined the IRAS as Senior Tax Auditor, where he led a team of tax audit officers to perform audits of organisations in various industries. He subsequently joined Ernst & Young LLP as GST Manager in 2000. In 2005, he was GST Consultant at Robin Chia & Co., where he provided GST consultancy services to various companies and conducted seminars and workshops on GST and related matters in Singapore and Malaysia. Chai Yee Hoi founded GST Academy and AccTax in 2006.

Chai Yee Hoi is an Accredited Tax Advisor (Income Tax & GST), a non-practising Member of the ISCA and a Fellow of ACCA of the United Kingdom. He obtained his Diploma in Business Studies from Ngee Ann Polytechnic.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Ng Guan Kiat was appointed as MD (Patceljon and Jo-L) with effect from 15 June 2018. He is currently a director of our subsidiaries, Patceljon and Jo-L, and oversees the operations of Patceljon and Jo-L.

Ng Guan Kiat has more than 25 years of accounting experience, having started his career at Communications Systems Engineering Pte Ltd (now known as Radiomarine Systems Pte Ltd) as accountant in 1992. He left in 1995 to take up the position of accountant and financial analyst at Jaya Holdings Limited until 1997. From 1997 to 1998, he was Finance Manager at Kemayan Project Pte Ltd, a subsidiary of Kemayan Corporation Berhad. Thereafter, he joined Hutchison Intrapage Pte Ltd (now known as Intrapage Pte Ltd), a member of the Hutchison telecommunications group, as Finance Manager from 1998 to 2001. Ng Guan Kiat founded the Business Support Services business of Patceljon in 2002 and Jo-L in 2012.

Ng Guan Kiat holds a Master in Business Administration (Investment and Finance) from the University of Hull. He obtained his Bachelor of Business from the University of Tasmania in 1992. Ng Guan Kiat is a Chartered Accountant of ISCA and a Certified Practising Accountant of CPA Australia.

Our Audit Committee and the Sponsor are of the view that Low Siam Kiang is suitable for the position of Financial Controller of our Group, having considered:

- (a) the qualifications and past working experiences of Low Siam Kiang which are compatible with her position as Financial Controller of our Group;
- (b) Low Siam Kiang's past, financial and accounting related experiences;
- (c) Low Siam Kiang's demonstration of the requisite competency in finance-related matters of our Group in connection with the preparation for the Listing;
- (d) the absence of any negative feedback from our Group's Independent Auditors and Reporting Accountants, BDO LLP; and
- (e) the absence of internal control weaknesses attributable to Low Siam Kiang identified during the internal control review conducted.

Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee to cause them to believe that Low Siam Kiang does not have the competence, character and integrity expected of a Financial Controller of a listed issuer.

In addition, our Financial Controller shall be subject to performance appraisal by our Audit Committee on an annual basis to ensure satisfactory performance.

Save as disclosed in the section entitled "Shareholders" of this Offer Document, there is no family relationship between any of our Directors and/or Executive Officers, or between any of our Directors, Executive Officers and Substantial Shareholders.

There is no arrangement or understanding with any of our Substantial Shareholders, clients, suppliers or any other person, pursuant to which any of our Directors or Executive Officers was selected as our Director or Executive Officer.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

DIRECTORS AND EXECUTIVE OFFICERS REMUNERATION

The remuneration (including salary, bonus, contributions to CPF, directors' fees, allowances and benefits-in-kind) paid in FY2016 and FY2017 and the estimated remuneration (excluding bonus but including benefits-in-kind) to be paid in FY2018 to our Directors and Executive Officers for services rendered to our Group on an individual basis are set out in the following remuneration bands⁽¹⁾:

	FY2016	FY2017	Estimated for FY2018
Directors			
John Tan	—	—	A
Jessie Low	— ⁽²⁾	A	B
Lim Tai Toon	—	—	A
San Wee	—	—	A
Executive Officers (save for the Executive Director and Chief Executive Officer)			
Lee Kim Hung	—	A	B
Low Siam Kiang	A	A	A
Chai Yee Hoi	—	—	A
Ng Guan Kiat	—	—	A

Notes:

(1) Remuneration bands:

“Band A” means from S\$0 to S\$250,000 per annum.

“Band B” means from S\$250,001 to S\$500,000 per annum.

(2) While our Executive Director and Chief Executive Officer, Jessie Low, was not an employee of our Group until June 2017, Jessie Low had been managing the operations and the businesses of our Group since 2009. During this period, the shares and directorships in our Group Companies were held on her behalf by her spouse, Karun Letchumanan.

As at the Latest Practicable Date, we have not set aside or accrued any amounts to provide pension, retirement or similar benefits to our employees and Directors.

SERVICE AGREEMENTS

On 12 November 2018, our Company entered into the Service Agreements with our Executive Director and Chief Executive Officer, Jessie Low (“**JL Service Agreement**”), and our Financial Controller, Low Siam Kiang (“**LSK Service Agreement**”) (collectively, the “**Executives**” and individually, the “**Executive**”).

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

JL Service Agreement

The JL Service Agreement is for an initial term of three (3) years commencing on the date that the Shares are listed and traded on Catalist (the “**Initial Term**”) and shall be automatically renewed at the end of the Initial Term on a yearly basis thereafter unless otherwise agreed in writing between our Company and Jessie Low or terminated in accordance with the JL Service Agreement, provided always that her employment as Executive Director shall terminate automatically upon her ceasing to hold office as a director of our Company. The renewal shall be on such terms as may be agreed between our Company and Jessie Low, and (if necessary) approved by the Board, the Remuneration Committee, the Nominating Committee and/or our Shareholders.

Either our Company or Jessie Low may terminate the JL Service Agreement by giving to the other party not less than six (6) months’ written notice, provided that during the Initial Term, Jessie Low shall not be entitled to terminate the JL Service Agreement without prior consent of the Board.

Jessie Low’s employment as Chief Executive Officer shall not be conditional on her appointment as Executive Director.

LSK Service Agreement

The LSK Service Agreement is for the Initial Term, commencing on the date that the Shares are listed and traded on Catalist and shall be automatically renewed at the end of the Initial Term on a yearly basis thereafter unless otherwise agreed in writing between our Company and Low Siam Kiang or terminated in accordance with the LSK Service Agreement. The renewal shall be on such terms as may be agreed between our Company and Low Siam Kiang, and (if necessary) approved by the Board, the Remuneration Committee, the Nominating Committee and/or our Shareholders.

Either our Company or Low Siam Kiang may terminate the LSK Service Agreement by giving to the other party not less than six (6) months’ written notice, provided that during the Initial Term, Low Siam Kiang shall not be entitled to terminate the LSK Service Agreement without prior consent of the Board.

We may also terminate the Service Agreements with immediate effect upon the occurrence of certain events such as serious misconduct, bankruptcy, criminal conviction or material breach by the Executives of the respective Service Agreements.

Pursuant to the terms of their respective Service Agreements, Jessie Low and Low Siam Kiang will receive a monthly remuneration of S\$26,000 and S\$6,500 respectively, and they may receive, at the discretion of the Board and the Remuneration Committee, a variable bonus for that financial year, which shall be determined by the Board (as recommended by the Remuneration Committee) based on their assessment of the Executive’s personal performance as well as the performance of our Group for such financial year.

Our Group will also extend to each of the Executives, among others, benefits including reimbursement of travelling, hotel, entertainment and other out-of-pocket expenses reasonably incurred by such Executive in the course of the employment, costs of such Executives’ personal medical insurance, professional indemnities and director and officer liability insurance and costs incurred by the Executive in connection with her registration with the ISCA or any other professional bodies as may be reasonably required for the purposes of the employment.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Under the terms of the Service Agreements, each of the Executives is subject to certain restrictive covenants, including obligations of confidentiality. Further, each of the Executives shall, during the period of their employment and for a period of 12 months after the termination of their employment:

- (a) not deal in similar products or services as our Group;
- (b) not be engaged or interested in any business similar to or competing with the business of our Group;
- (c) not have any interest, directly or indirectly, in, and/or provide any assistance, financial technical or otherwise, to, any person or entity to carry on any business which is in competition with the business of our Group;
- (d) not be a director and/or hold an executive management position in any entity whose business competes with the business of our Group;
- (e) ensure that no company or business in which she is in the position to control, dominate or influence decision making shall engage in any business similar to or which is in competition with the business of our Group, as our Group's business may be from time to time;
- (f) not solicit any person or corporation who (i) is or has been at any time a customer of our Group; (ii) has business dealings with our Group; or (iii) is in commercial negotiations with our Group with a view to placing business with our Group;
- (g) not solicit any employee of our Group Companies for the employment of herself, any other person or any other company, other than our Group Companies; and/or
- (h) disclose to the Audit Committee her interest in respect of any contract, arrangement, proposal transaction or any other matter whatsoever in which she has any personal material interest, directly or indirectly, or any actual or potential conflicts of interest that may involve her. Upon such disclosure, she shall abstain from voting in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises; unless and until the Audit Committee has determined that no such conflict of interest exists.

Had the Service Agreements for the Executives been effective on 1 January 2017, the total remuneration payable to the Executives for FY2017 would have been approximately S\$0.46 million instead of approximately S\$0.28 million and the *pro forma* profit after income tax would have been approximately S\$1.13 million instead of S\$1.31 million.

Our Group has previously entered into various contracts of employment with our other Executive Officers. Such contracts typically provide for the salaries payable to them, their working hours, annual leave and grounds of termination.

Save as disclosed above, there are no other existing or proposed service agreements between our Company or our subsidiaries and any of our Directors. There are no existing or proposed service agreements entered into or to be entered into by our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment without cause.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

EMPLOYEES

As at the Latest Practicable Date, our Group had a workforce of 45 full-time employees who are all located at our offices within Singapore.

The functional distribution of our Group's employees as at 31 December 2015, 2016 and 2017, 30 June 2018 and the Latest Practicable Date are as follows:

Functions	As at 31 December 2015	As at 31 December 2016	As at 31 December 2017	As at 30 June 2018	As at Latest Practicable Date
Management	2	2	4	5	7
Operations	11	11	20	22	31
Finance	2	2	5	5	5
Administration/ Human resources	2	1	2	2	2
Total	17	16	31	34	45

The increase in the number of employees from 16 as at 31 December 2016 to 34 as at 30 June 2018 was primarily due to the acquisitions of our subsidiaries, Nex and AccTax in FY2017 and HY2018 respectively and correspondingly, the inclusion of their employees under our Group's headcount. Similarly, the increase in the number of employees from 34 as at 30 June 2018 to 45 as at the Latest Practicable Date was due to the acquisitions of Patceljon and Jo-L in July 2018, and correspondingly, the inclusion of their employees under our Group's headcount.

As at the Latest Practicable Date, save for as disclosed in the section entitled "Directors, Executive Officers and Employees – Employees – Related Employees" of this Offer Document, none of our full-time employees are related to our Directors and Substantial Shareholders. Any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from the review.

All of our employees are currently working in Singapore.

We do not employ a significant number of temporary employees.

Our employees are not covered by any collective bargaining agreements and are not unionised. The relationship and co-operation between the management and staff have been good and are expected to continue and remain as such in the future. There has not been any incidence of work stoppages or labour disputes which affected our operations.

Related Employees

As at the Latest Practicable Date, save as disclosed below, there is no family relationship between any of our full-time employees and our Directors, Executive Officers, and/or Controlling Shareholders or between any of our Directors, Executive Officers and/or Controlling Shareholders ("Related Employees").

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

Name	Position Held	Relationship
Karun Letchumanan	Director of MCS and Medinex Healthcare	Spouse of our Executive Director and Chief Executive Officer, Jessie Low
Kheak Sock Lim	Manager	Spouse of our MD (Patceljon and Jo-L), Ng Guan Kiat

The remuneration (including salary, bonus, contributions to CPF, directors' fees, allowances and benefits-in-kind) paid in FY2016 and FY2017 and the estimated remuneration (excluding bonus but including benefits-in-kind) to be paid in FY2018 to Karun Letchumanan, who is the spouse of our Executive Director and Chief Executive Officer, Jessie Low, for services rendered to our Group on an individual basis are set out in the following remuneration bands⁽¹⁾:

	FY2016	FY2017	Estimated for FY2018
Karun Letchumanan	C	C	C

Note:

(1) Remuneration bands:

"Band A" means from S\$0 to S\$50,000 per annum.

"Band B" means from S\$50,001 to S\$100,000 per annum.

"Band C" means from S\$100,001 to S\$150,000 per annum.

The remuneration of the Related Employees will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any remuneration, bonuses, pay increases and/or promotions for these Related Employees will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the Related Employee under review, he will abstain from the review.

STAFF TRAINING POLICY

We believe that continuous professional development is instrumental to the growth of our business and maintaining of our competitive position in the industry. Apart from on-the-job training, we provide training and re-training of our employees through formal, internal and external programmes in competencies such as ethics and professionalism, organisation and business management, personal effectiveness and technical competencies.

Further, our Group provides the following opportunities for our employees:

- each employee is eligible for up to four (4) days of paid study/examination leave per year per subject for one (1) attempt;
- our Group sponsors each qualified employee up to S\$10,000 to pursue certification(s) that are relevant for their course of work; and
- employees who have successfully completed the ACCA examinations and are keen to pursue their practical experience requirements under the Singapore CA Qualifications are able to fulfil their requirements in the course of their training with our Group.

SHARE-BASED INCENTIVE PLANS

In conjunction with our Listing on Catalist, we have adopted a performance share plan known as the “Medinex Performance Share Plan” and an employee share option scheme known as the “Medinex Employee Share Option Scheme”, both of which were approved by our Shareholders on 9 November 2018. The rules of our Performance Share Plan and Share Option Scheme are set out in Appendices F and G to this Offer Document respectively.

RATIONALE

Both the Performance Share Plan and Share Option Scheme will provide eligible participants (each a **“Participant”** and collectively, the **“Participants”**) with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. Both the Performance Share Plan and Share Option Scheme form an integral component of our compensation plan and are designed primarily to reward and retain employees whose services are vital to the growth and performance of our Company and/or our Group.

The Performance Share Plan and Share Option Scheme are designed to complement each other. The aim of implementing more than one incentive plan is to increase our Group’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve better performance by providing our Group with a more comprehensive set of remuneration tools and further strengthen our competitiveness in attracting and retaining local and foreign talent.

Unlike the Share Option Scheme whereby Participants are required to pay for the exercise of the Options, the Performance Share Plan allows our Group to provide an incentive for Participants to achieve certain specific performance targets by awarding fully paid Shares to Participants after these targets have been met.

In addition, the assessment criteria for granting Options under the Share Option Scheme are more general (for instance, based on length of service and general performance of our Group) and do not relate to specific performance targets imposed by our Group. On the other hand, the assessment criteria for granting of Awards under the Performance Share Plan will be based on specific performance targets or to impose time-based service conditions, or a combination of both.

As at the date of this Offer Document, no Awards have been granted under the Performance Share Plan and no Options have been granted under the Share Option Scheme.

MEDINEX PERFORMANCE SHARE PLAN

Objectives of the Performance Share Plan

The main objectives of the Performance Share Plan are as follows:

- (a) to attract potential employees with relevant skills to contribute to our Group and to create value for Shareholders;
- (b) to instil loyalty to, and a stronger identification by the Participants with the long-term prosperity of, our Group;
- (c) to motivate the Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;

SHARE-BASED INCENTIVE PLANS

- (d) to give recognition to the contributions made by the Participants to the success of our Group; and
- (e) to retain key employees of our Group whose contributions are essential to the long-term prosperity of our Group.

Summary of the Performance Share Plan

The following is a summary of the rules of the Performance Share Plan. Any capitalised term as used throughout this section, unless otherwise defined, shall bear the meanings as defined in Appendix F to this Offer Document.

Eligibility

The Performance Share Plan allows for participation by confirmed employees of our Group (including Executive Directors) and Non-executive Directors (including Independent Directors) who have attained the age of 21 years on or before the relevant date of grant of the Award provided that none shall be an undischarged bankrupt at the relevant time, and who, in the absolute discretion of the Remuneration Committee will be eligible to participate in the Performance Share Plan, to the extent permissible under all applicable laws including the Companies Act.

Controlling Shareholders or their Associates who meet the above eligibility criteria are eligible to participate in the Performance Share Plan provided that (a) the participation of; and (b) the terms of each grant and the actual number of Awards granted under the Performance Share Plan to, a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by our independent Shareholders in separate resolutions for each such person.

All Shareholders who are eligible to participate in the Performance Share Plan will abstain from voting on any Shareholders' resolution relating to the Performance Share plan, including, where applicable, (i) implementation of the Performance Share Plan; and (ii) participation by, and Award(s) granted to, Controlling Shareholders and their Associates and should not accept nominations as proxies or otherwise for voting in respect of such resolution unless specific instructions have been given in the proxy instrument on how the votes are to be cast. Controlling Shareholders and their Associates should also abstain from voting on the resolution in relation to their participation in the Performance Share Plan and grant of Awards to them.

There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes or share plans implemented or to be implemented by our Company or any other company within our Group.

Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Performance Share Plan may be amended from time to time at the absolute discretion of the Remuneration Committee.

Awards

Awards represent the right of a Participant to receive fully paid Shares free of charge, upon the Participant achieving the prescribed performance targets.

The selection of the Participants and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Performance Share Plan shall be determined

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at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of our Group.

In the case of a performance-related Award, the performance targets will be set by the Remuneration Committee depending on each individual Participant's job scope and responsibilities. The performance targets to be set shall take into account both the medium and long-term corporate objectives of our Group and the individual performance of the Participant and will be aimed at sustaining long-term growth. The corporate objectives shall cover market competitiveness, business growth and productivity growth. The performance targets could be based on criteria such as sales growth, growth in earnings and returns on investment. In addition, the Participant's length of service with our Group, achievements of past performance targets, ability to value-add to our Group's performance and development and overall enhancement to Shareholder value, amongst others, will be taken into account.

Awards may be granted at any time in the course of a financial year, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second Market Day from the date on which the aforesaid announcement is made.

An Award letter confirming the Award will be sent to each Participant as soon as reasonably practicable after the Award is finalised, specifying, *inter alia*, in relation to the Award:

- (a) (in relation to a performance-related Award) the performance targets and the performance period during which the prescribed performance targets are to be met;
- (b) the number of Shares to be vested in the Participant; and
- (c) the date by which the Award shall be vested.

The Remuneration Committee will take into account various factors when determining the method to arrive at the exact number of Shares comprised in an Award. Such factors include, but are not limited to, the current price of the Shares, the total issued share capital of our Company and the pre-determined Singapore dollar amount which the Remuneration Committee decides that a Participant deserves for meeting his performance targets. For example, Shares may be awarded based on predetermined Singapore dollar amounts such that the quantum of Shares comprised in the Award is dependent on the closing price of the Shares transacted on the Market Day that such Award is vested. Alternatively, the Remuneration Committee may decide for absolute numbers of Shares to be awarded to Participants irrespective of the price of the Shares. The Remuneration Committee shall monitor the grant of Awards carefully to ensure that the size of the Performance Share Plan will comply with the relevant Catalist Rules.

Size and duration of the Performance Share Plan

The total number of Shares which may be delivered pursuant to the vesting of Awards on any date, when added to the aggregate number of Shares issued and/or issuable in respect of (i) all Awards granted under the Performance Share Plan; (ii) all Options granted under the Share Option Scheme; and (iii) all other Shares issued and/or issuable under any other share-based incentive schemes or share plans of our Company, shall not exceed fifteen per cent. (15.0%) of the total number of issued Shares (excluding treasury shares) of our Company from time to time.

SHARE-BASED INCENTIVE PLANS

Our Directors believe that the size of the Performance Share Plan will give our Company sufficient flexibility to decide the number of Shares to be offered under the Performance Share Plan. However, it does not indicate that the Remuneration Committee will definitely issue Shares up to the prescribed limit. The Remuneration Committee will exercise its discretion in deciding the number of Shares to be granted to each Participant under the Performance Share Plan. This, in turn, will depend on, and be commensurate with, the performance and value of the Participant to our Group.

The aggregate number of Shares that are available to the Controlling Shareholders and their Associates under the Performance Share Plan shall not exceed twenty-five per cent. (25.0%) of the total number of Shares available under the Performance Share Plan. The number of Shares that are available to each Controlling Shareholder or each of their Associates under the Performance Share Plan shall not exceed ten per cent. (10.0%) of the Shares available under the Performance Share Plan.

The Performance Share Plan shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date on which the Performance Share Plan is adopted by our Company in by way of written resolutions, provided always that the Performance Share Plan may continue beyond the above stipulated period with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Performance Share Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

Operation of the Performance Share Plan

The Remuneration Committee shall have the discretion to determine whether performance targets have been met (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to our Company and/or any of our subsidiaries justifies the vesting of an Award. In making any such determination, the Remuneration Committee shall have the right to make reference to the audited results of our Company or our Group, as the case may be, to take into account such factors as the Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance targets if the Remuneration Committee decides that it would be a fairer measure of performance.

Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Remuneration Committee being satisfied that the Participant has achieved the performance targets.

Subject to the prevailing legislation and the provisions of the Catalist Rules, our Company will be delivering Shares to Participants upon vesting of their Awards by way of an issue of new Shares or the transfer of existing Shares held as treasury shares to the Participants. In determining whether to issue new Shares or to purchase existing Shares for delivery to Participants upon the vesting of their Awards, our Company will take into account factors such as the number of Shares to be delivered, the prevailing market price of the Shares and the financial effect on our Company of either issuing new Shares or purchasing existing Shares.

New Shares allotted and issued, and existing Shares transferred, on the release of an Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date of issue of

SHARE-BASED INCENTIVE PLANS

the New Shares or the date of transfer of treasury shares pursuant to the vesting of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

Adjustments and alterations under the Performance Share Plan

Variation of Capital

If a variation in the issued ordinary share capital of our Company whether by way of a capitalisation issue or other circumstances (for example, rights issue, capital reduction, subdivision, consolidation of shares or distribution) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the Performance Share Plan,

shall be adjusted by the Remuneration Committee to give each Participant the same proportion of the equity capital of our Company as that to which he was previously entitled and, in doing so, the Remuneration Committee shall determine, at its own discretion, the manner in which such adjustment shall be made.

The following events shall not normally be regarded as a circumstance requiring adjustment:

- (i) the issue of securities as consideration for an acquisition or a private placement of securities;
- (ii) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (iii) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Performance Share Plan and the Share Option Scheme; and
- (iv) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by our Company.

Notwithstanding the above:

- (1) the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; and
- (2) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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Modifications to the Performance Share Plan

Any or all the provisions of the Performance Share Plan may be modified and/or altered at any time and from time to time by resolution of the Remuneration Committee, provided that:

- (a) any modification or alteration which would be to the advantage of the Participants under the Performance Share Plan shall be subject to the prior approval of our Shareholders in general meeting; and
- (b) no modification or alteration shall be made without due compliance with the Catalist Rules and such other regulatory authorities as may be necessary.

Reporting requirements

Under the Catalist Rules, an immediate announcement must be made on the date of the grant of an Award and provide details of the grant, including the following:

- (a) the date of grant;
- (b) the market price of the Shares on the date of grant of the Award;
- (c) the number of Shares granted under the Award;
- (d) the number of Shares granted to each Director and/or Controlling Shareholder (and each of their Associates) under the Award, if any; and
- (e) the vesting period in relation to the Award.

The following disclosures (as applicable) will be made by our Company in our annual report for so long as the Performance Share Plan continues in operation:

- (A) the names of the members of the Remuneration Committee administering the Performance Share Plan;
- (B) in respect of the following Participants:
 - (1) Directors of our Company;
 - (2) Controlling Shareholders of our Company and their Associates; and
 - (3) Participants (other than those in paragraphs (B)(1) and (2) above) who have received Shares pursuant to the vesting of Awards granted under the Performance Share Plan which, in aggregate, represent five per cent. (5.0%) or more of the total number of Shares available under the Performance Share Plan,

the following information will be required:

- (i) the name of the Participant;
- (ii) the aggregate number of Shares comprised in Awards which have been granted to such Participant during the financial year under review;

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- (iii) the aggregate number of Shares comprised in Awards which have been granted to such Participant since the commencement of the Performance Share Plan to the end of the financial year under review;
- (iv) the aggregate number of Shares comprised in Awards which have been issued and/or transferred to such Participants pursuant to the vesting of Awards under the Performance Share Plan since the commencement of the Performance Share Plan to the end of the financial year under review; and
- (v) the aggregate number of Shares comprised in Awards which have not been vested as at the end of the financial year under review; and

(C) such other information as may be required by the Catalist Rules or the Companies Act.

Role and composition of the Remuneration Committee

The Remuneration Committee shall be responsible for the administration of the Performance Share Plan.

The Remuneration Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Performance Share Plan) for the implementation and administration of the Performance Share Plan as they think fit including, but not limited to:

- (a) imposing restrictions on the number of Awards that may be vested within each financial year; and
- (b) amending performance targets, if by so doing it would be a fairer measure of performance for a Participant or for the Performance Share Plan as a whole.

In compliance with the requirements of the Catalist Rules, any Participant of the Performance Share Plan who is a member of the Remuneration Committee shall not be involved in the deliberation or decision in respect of Awards granted to or to be granted to him.

Rationale for participation by the Controlling Shareholders and their Associates in the Performance Share Plan

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders or Associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the Performance Share Plan to confirmed full-time employees who are Controlling Shareholders and Associates of our Controlling Shareholders allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of the Controlling Shareholders and their Associates in the Performance Share Plan will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although Participants who are Controlling Shareholders or Associates of our Controlling Shareholders may already have shareholding interests in our Company, the extension of the Performance Share Plan to include them ensures that they are equally entitled, with the other employees of our Group, who are not Controlling Shareholders or Associates of our Controlling Shareholders, to take part and benefit from this system of remuneration. We are of the view that

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a person who would otherwise be eligible should not be excluded from participating in the Performance Share Plan solely by reason that he/she is a Controlling Shareholder or an Associate of a Controlling Shareholder.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Awards. A separate resolution must be passed for each such Participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of our Controlling Shareholders and their Associates, the number of and terms of the Awards to be granted to the Controlling Shareholders and their Associates shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Performance Share Plan resulting from the participation of employees who are Controlling Shareholders or Associates of our Controlling Shareholders.

Rationale for participation by Non-executive Directors (including Independent Directors) in the Performance Share Plan

While the Performance Share Plan caters principally to Group Employees, it is recognised that there are other persons who make significant contributions to our Group through their close working relationships with our Group, even though they are not employed within our Group. Such persons include the Non-executive Directors.

The Non-executive Directors are persons from different professions and working backgrounds, bringing to our Group their wealth of knowledge, experience, business expertise and contacts in the business community. They play an important role in helping our Group shape our business strategy by allowing our Group to draw on their diverse backgrounds and working experience. It is crucial for our Group to attract, retain and incentivise the Non-executive Directors. By aligning the interests of the Non-executive Directors with the interests of our Shareholders, our Company aims to instil a sense of commitment on the part of the Non-executive Directors towards serving the short and long-term objectives of our Group.

Our Directors are of the view that including the Non-executive Directors in the Performance Share Plan, to the extent permissible under all applicable laws, including the Companies Act, will show our Company's appreciation for them and further motivate them in their contribution towards the success of our Group. However, as their services and contributions cannot be measured in the same way as the full-time employees of our Group, while it is desired that participation in the Performance Share Plan be made open to the Non-executive Directors, any Awards that may be granted to any such Non-executive Director would be intended only as a token of our Company's appreciation.

For the purpose of assessing the contributions of the Non-executive Directors, the Remuneration Committee will propose a performance framework comprising mainly non-financial performance measurement criteria, such as the extent of involvement and responsibilities shouldered by the Non-executive Directors. In addition, the Remuneration Committee will also consider the scope of advice given, the number of contacts and size of deals which our Group is able to procure from those contacts and recommendations made by the Non-executive Directors. The Remuneration Committee may also decide that no Awards shall be made in any financial year or no grant and/or Award may be made at all.

It is envisaged that the vesting of Awards, and hence the number of Shares to be delivered to the Non-executive Directors based on the criteria set out above will be relatively small, in terms of the frequency and number. Based on this, the Directors are of the view that the participation by the

SHARE-BASED INCENTIVE PLANS

Non-executive Directors in the Performance Share Plan will not compromise the independent status of those who are Independent Directors.

Financial Effects of the Performance Share Plan

Cost of Awards

Singapore Financial Reporting Standards (International) 2 *Share-based Payment* (“**SFRS (I) 2**”) relating to share-based payment took effect for all entities to apply for annual reporting periods beginning on or after 1 January 2018. Participants who receive Shares and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards will be recognised as a charge to profit or loss over the period between the grant date and the vesting date of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is subject to revision, and the impact of the revised estimate will be recognised in profit or loss with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to profit or loss is made. This accounting treatment has been referred to as the “modified grant date method” because the number of Shares included in the determination of the expense relating to employee services is adjusted to reflect the actual number of Shares that eventually vest but no adjustment is made to changes in the fair value of the Shares since the grant date.

The amount charged to profit or loss would be the same whether our Company settles the Awards by issuing new Shares or by purchasing existing Shares. The amount of the charge to profit or loss also depends on whether or not the performance target attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to amounts charged to profit or loss are made if the market condition is not met. However, if the performance target is not a market condition, the fair value per Share of the Awards granted at the grant date is used to compute the amount to be charged to profit or loss at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no charge to profit or loss if the Awards do not ultimately vest.

In the event that the Participants receive cash, our Company shall measure the fair value of the liability at the grant date. Until the liability is settled, our Company shall re-measure the fair value of the liability at each accounting date and at the date of settlement, with changes in the fair value recognised in profit or loss.

Share capital

The Performance Share Plan will result in an increase in our Company’s issued share capital where new Shares are issued to Participants. The number of new Shares issued will depend on, among others, the size of the Awards granted under the Performance Share Plan. In any case, the Performance Share Plan provides that the number of shares to be issued under the Performance

SHARE-BASED INCENTIVE PLANS

Share Plan will be subject to a maximum limit of fifteen per cent. (15.0%) of our total issued Shares (excluding treasury shares). The aggregate number of Shares available under the Performance Share Plan shall not exceed fifteen per cent. (15.0%) of the total issued share capital of our Company (excluding treasury shares) post-Placement and from time to time. If instead of issuing new Shares to the Participants, treasury shares are transferred to Participants or our Company pays the equivalent cash value, the Performance Share Plan would have no impact on our Company's total number of issued Shares.

NTA

The Performance Share Plan will result in a charge to our Company's profit or loss over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with SFRS (I) 2. When new Shares are issued under the Performance Share Plan, there would be no effect on the NTA. However, if instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants, or our Company pays the equivalent cash value, the NTA would be impacted by the cost of the Shares purchased or the cash payment, respectively.

EPS

The Performance Share Plan will result in a charge to earnings equivalent over the period from the grant date to the vesting date, computed in accordance with SFRS (I) 2. It should again be noted that the delivery of Shares to Participants of the Performance Share Plan will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

MEDINEX EMPLOYEE SHARE OPTION SCHEME

Objectives of the Share Option Scheme

The objectives of the Share Option Scheme are as follows:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and profitability of our Group;
- (c) to instil loyalty to, and a stronger identification by Participants with the long-term prosperity of, our Group;
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (e) to align the interests of participants with the interests of our Shareholders.

Summary of the Share Option Scheme

The following is a summary of the rules of the Share Option Scheme. Any capitalised terms used herein shall, unless otherwise defined, bear the same meanings as defined in Appendix G to this Offer Document.

SHARE-BASED INCENTIVE PLANS

Participants

The Share Option Scheme allows for participation by confirmed employees of our Group (including our Executive Directors) and Non-executive Directors (including Independent Directors) who have attained the age of 21 years on or before the relevant date of grant of the Option, provided that none of them shall be an undischarged bankrupt or have entered into a composition with his creditors.

Controlling Shareholders and their Associates who have contributed to the development and success of our Group shall be eligible to participate in the Share Option Scheme, provided that (i) the participation of; and (ii) the terms of any Options to be granted and the actual number of Shares to be granted under the Share Option Scheme, to a Participant who is a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person.

Administration of the Scheme

The Share Option Scheme shall be administered by the Remuneration Committee with powers to determine, *inter alia*, the following:

- (a) persons to be granted Options;
- (b) number of Options to be granted; and
- (c) recommendations for modifications to the Share Option Scheme.

The Remuneration Committee will consist of Directors (including Directors or persons who may be participants of the Share Option Scheme). A member of the Remuneration Committee who is also a Participant of the Share Option Scheme must not be involved in any deliberation or decision in respect of Options granted or to be granted to him.

Size of the Share Option Scheme

The total number of Shares over which the Remuneration Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of (i) all Options granted under the Share Option Scheme; (ii) all Awards granted under the Performance Share Plan; and (iii) all outstanding options or awards granted under such other share-based incentive schemes of our Company, shall not exceed fifteen per cent. (15.0%) of the number of issued Shares (excluding treasury shares) on the day immediately preceding the Offer Date of the Options.

Our Directors believe that this limit gives us sufficient flexibility to decide upon the number of Option Shares to offer to our existing and new employees. The number of eligible Participants is expected to grow over the years. Our Company, in line with its goal of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees. The employee base, and thus the number of eligible Participants, will increase as a result. If the number of Options available under the Share Option Scheme is limited, our Company may only be able to grant a small number of Options to each eligible Participant which may not be a sufficiently attractive incentive. Our Company is of the opinion that it should have a sufficient number of Options to offer to new employees as well as to existing ones. The number of Options offered must also be significant to serve as a meaningful reward for contributions to our Group. However, it does not necessarily mean that the Remuneration Committee will definitely issue Option Shares up to the prescribed limit. The

SHARE-BASED INCENTIVE PLANS

Remuneration Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each employee, which will depend on the performance and value of the employee to our Group.

Maximum entitlements

The aggregate number of Shares comprised in any Option to be offered to a Participant under the Share Option Scheme shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account (where applicable) criteria such as rank, past performance, years of service and potential development of that Participant.

The aggregate number of Shares in respect of which Options may be granted to Controlling Shareholders and their Associates under the Share Option Scheme shall not exceed twenty-five per cent. (25.0%) of the total number of Shares available under the Share Option Scheme. The aggregate number of Shares in respect of which Options may be granted to any individual Controlling Shareholder or Associate of a Controlling Shareholder under the Share Option Scheme shall not exceed ten per cent. (10.0%) of the total number of Shares available under the Share Option Scheme.

Options, exercise period and exercise price

The Options that are granted under the Share Option Scheme may have exercise prices that are, at the Remuneration Committee's absolute discretion, set at a price (the "**Market Price**") equal to the average of the last dealt prices for the Shares on Catalist for five (5) consecutive Market Days immediately preceding the relevant date of grant of the relevant Option; or at a discount to the Market Price (subject to a maximum discount of twenty per cent. (20.0%)). Options which are fixed at the Market Price (the "**Market Price Option**") may be exercised after the first (1st) anniversary of the date of grant of that Option while Options exercisable at a discount to the Market Price (the "**Discounted Option**") may only be exercised after the second (2nd) anniversary from the date of grant of that Option. Subject to the rules of the Share Option Scheme, options granted under the Share Option Scheme will have a life span of ten (10) years.

Grant of Options

Under the rules of the Share Option Scheme, there are no fixed periods for the grant of Options. As such, offers for the grant of Options may be made at any time at the discretion of the Remuneration Committee. However, no Option shall be granted during the period of 30 days immediately preceding the date of announcement of our Company's interim and/or final results (as the case may be).

In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers to grant Options may only be made after the second Market Day from the date on which the aforesaid announcement is made.

Termination of Options

Special provisions in the rules of the Share Option Scheme deal with the lapse or earlier exercise of Options in circumstances which include the termination of the participant's employment in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company and the winding-up of our Company.

SHARE-BASED INCENTIVE PLANS

Acceptance of Options

The grant of Options shall be accepted within 30 days from the date of the offer. Offers of Options made to grantees, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the grantee must pay our Company a consideration of S\$1.00.

Rights of Shares arising from the exercise of Options

Option Shares are subject to the provisions of the Constitution. The Option Shares so allotted will, upon issue, rank *pari passu* in all respects with the then existing issued Shares, save for any dividend, rights, allotments or distributions, the record date for which is prior to the relevant exercise date of the Option. For such purposes, “**record date**” means the date as at the close of business on which our Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be).

Duration of the Share Option Scheme

The Share Option Scheme shall continue in operation for a maximum period of ten (10) years commencing on the date on which the Share Option Scheme is adopted by our Company in general meeting and may continue for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Abstention from voting

Shareholders who are eligible to participate in the Share Option Scheme are to abstain from voting on any Shareholders’ resolution relating to the Share Option Scheme, including, where applicable, (i) implementation of the Share Option Scheme; (ii) discount quantum; and (iii) participation by, and Option granted to, Controlling Shareholders and their Associates and should not accept nominations as proxies or otherwise for voting in respect of such resolution unless specific instructions have been given in the proxy instrument on how the votes are to be cast. Controlling Shareholders and their Associates should also abstain from voting on the resolution in relation to their participation in the Share Option Scheme and the grant of Options to them.

Grant of Discounted Options

Discounted Options will only be granted to deserving employees whose performances have been consistently good and/or whose future contributions to our Group will be invaluable. The ability to offer Discounted Options will operate as a means to recognise the performance of Participants as well as to motivate them to continue to excel while encouraging them to focus on improving the profitability and return of our Group to a level that benefits our Shareholders, when these are eventually reflected through an appreciation of our Share price. Discounted Options would be perceived in a more positive light by the Participants, inspiring them to work hard and produce results in order to be offered Discounted Options as only employees who have made significant contributions to the success and development of our Group would be granted Discounted Options.

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The flexibility to grant Discounted Options is also intended to cater to situations where the stock market performance has overrun the general market conditions. In such events, the Remuneration Committee will have absolute discretion to:

- (a) grant Options set at a discount to Market Price of a Share (subject to a maximum limit of twenty per cent. (20.0%)); and
- (b) determine the participants to whom, and the Options to which, such reduction in exercise prices will apply.

In determining whether to give a discount and the quantum of the discount, the Remuneration Committee shall be at liberty to take into consideration factors including the performance of our Company and our Group, the performance of the participant concerned, the contribution of the participant to the success and development of our Group and the prevailing market conditions.

At present, our Company foresees that Discounted Options may be granted principally in the following circumstances:

- (a) First, where it is considered more effective to reward and retain talented employees by way of a Discounted Option rather than a Market Price Option. This is to reward the outstanding performers who have contributed significantly to our Group's performance and the Discounted Option serves as additional incentives to such Group employees. Options granted by our Company on the basis of Market Price may not be as attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence during such period the ability to offer Discounted Options would allow our Company to grant Options on a more realistic and economically feasible basis. Furthermore, Discounted Options will give an opportunity to our Group employees to realise some tangible benefits even if external events cause the Share price to remain largely static.
- (b) Second, where it is more meaningful and attractive to acknowledge a participant's achievements through a Discounted Option rather than paying him a cash bonus. For example, Discounted Options may be used to compensate employees and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of Market Price Options or Discounted Options, as part of eligible employees' compensation packages. The Share Option Scheme will provide our Group employees with an incentive to focus more on improving the profitability of our Group thereby enhancing shareholder value when these are eventually reflected through the price appreciation of our Shares after the vesting period.

The Remuneration Committee will have the absolute discretion to grant Discounted Options, to determine the level of discount (subject to a maximum discount of twenty per cent. (20.0%) of the Market Price) and the grantees to whom, and the Options to which, such discount in the exercise price will apply provided that our Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Share Option Scheme, at a discount not exceeding the maximum discount as aforesaid.

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Our Company may also grant Options without any discount to the Market Price. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the Options (whether such Options are granted at the Market Price or at a discount to the Market Price), such as restricting the number of Option Shares for which the Option may be exercised during the initial years following its vesting.

Rationale for participation by employees of our Group (including Group Executive Directors) in the Share Option Scheme

The extension of the Share Option Scheme to employees of our Group (including Group Executive Directors) allows us to have a fair and equitable system to reward employees and executive directors of our Group who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the grant of Options to the employees and executive directors of our Group will enable us to attract, retain and provide incentives to its participants to produce higher standards of performance as well as encourage greater dedication and loyalty to our Group. This would enable our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Rationale for participation by our Controlling Shareholders and the Associates of our Controlling Shareholders in the Share Option Scheme

Our Company acknowledges that the services and contributions of employees who are Controlling Shareholders and the Associates of our Controlling Shareholders are important to the development and success of our Group. The extension of the Share Option Scheme to confirmed full-time employees who are Controlling Shareholders and the Associates of our Controlling Shareholders allows our Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of our Group. The participation of the Controlling Shareholders and the Associates of the Controlling Shareholders in the Share Option Scheme will serve both as a reward to them for their dedicated services to our Group and a motivation for them to take a long-term view of our Group.

Although Participants who are Controlling Shareholders and the Associates of our Controlling Shareholders may already have shareholding interests in our Company, the extension of the Share Option Scheme to include them ensures that they are equally entitled as the other employees of our Group who are not Controlling Shareholders or their Associates, to take part and benefit from this system of remuneration. We are of the view that a person who would otherwise be eligible should not be excluded from participating in the Share Option Scheme solely by reason that he/she is a Controlling Shareholder or an Associate of our Controlling Shareholders.

The specific approval of our independent Shareholders is required for the participation of such persons as well as the actual number of and terms of such Options. A separate resolution must be passed for each such Participant. In seeking such approval from our independent Shareholders, clear justification as to the participation of Controlling Shareholders and the Associates of our Controlling Shareholders, the number of and terms (including the exercise price) of the Options to be granted to the Controlling Shareholders and the Associates of our Controlling Shareholders shall be provided. Accordingly, we are of the view that there are sufficient safeguards against any abuse of the Share Option Scheme resulting from the participation of employees who are Controlling Shareholders and the Associates of our Controlling Shareholders.

SHARE-BASED INCENTIVE PLANS

Rationale for participation by our Non-executive Directors (including Independent Directors) in the Share Option Scheme

Although our Non-executive Directors are not involved in the day-to-day running of our operations, they play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by Non-executive Directors in the Share Option Scheme will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. For instance, the Non-executive Directors may bring strategic or other such value to our Company which may be difficult to quantify in monetary terms. The grant of Options to Non-executive Directors will allow our Company to attract and retain experienced and qualified persons from different professional backgrounds to join our Company as Non-executive Directors, and to motivate existing Non-executive Directors to take extra efforts to promote the interests of our Company and/or our Group.

In deciding whether to grant Options to the Non-executive Directors, the Remuneration Committee will take into consideration, among other things, the services and contributions made to the growth, development and success of our Group and the years of service of a particular Non-executive Director. The Remuneration Committee may also, where it considers relevant, take into account other factors such as the economic conditions and our Company's performance.

It is envisaged that the granting of Options, and hence the number of Shares to be delivered to the Non-executive Directors based on the criteria set out above will be relatively small, in terms of the frequency and number. Based on this, the Directors are of the view that the participation by the Non-executive Directors in the Share Option Scheme will not compromise the independent status of those who are Independent Directors.

Cost of Options

Any options granted under the Share Option Scheme, whether such options are Market Price Options or Discounted Options, would have a fair value. In the event that such Options are granted at prices below the fair value of the Options, there will be a cost to our Company. Such costs are higher in the case of Discounted Options, where such Options are granted with exercise prices set at a discount to the prevailing Market Price of our Shares. The cost to our Company of granting Options with a discounted exercise price under the Share Option Scheme would be as follows:

- (a) the exercise of an Option at the discounted exercise price would translate into a reduction of the proceeds from the exercise of such Options, as compared to the proceeds that our Company would have received from such exercise had the exercise been made at the prevailing Market Price of our Shares. Such reduction of the exercise proceeds would represent the monetary cost to our Company of granting Options with a discounted exercise price;
- (b) as the monetary cost of granting Options with a discounted exercise price is borne by our Company, the earnings of our Company would effectively be reduced by an amount corresponding to the reduced interest earnings that our Company would have received from the difference in proceeds from exercise price with no discount versus the discounted exercise price. Such reduction would, accordingly, result in the dilution of our Company's EPS; and

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- (c) the effect of the allotment and issue of new Shares upon the exercise of Options on our Company's NAV per Share is accretive if the exercise price is above the NAV per Share, but dilutive otherwise.

The costs as discussed above would only materialise upon the exercise of the relevant Options. Share options have value because the option to buy a company's share for a fixed price during an extended future time period is a valuable right, even if there are restrictions attached to such an Option. As our Company is required to account for share-based awards granted to our employees, the cost of granting Options will affect our financial results as this cost to our Company would be required to be charged to our Company's profit and loss account commencing from the time Options are granted. Subject to the aforesaid, as and when Options are exercised, the cash inflow will add to the net tangible assets of our Company and its share capital base will grow. Where Options are granted with subscription prices that are set at a discount to the Market Prices for our Shares prevailing at the time of the grant of such Options, the amount of the cash inflow to our Company on the exercise of such Options would be diminished by the quantum of the discount given, as compared with the cash inflow that would have been receivable by our Company had the Options been granted at the Market Price of our Shares prevailing at the time of the grant.

The grant of Options will have an impact on our Company's reported profit under the accounting standards in the SFRS (I) 2 relating to share-based payment. It requires the recognition of an expense in respect of Options granted. The expenses will be based on the fair value of the Options at the date of grant (as determined by an option-pricing model) and will be recognised over the vesting period.

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Our Directors recognise the importance of corporate governance and the offering of high standards of accountability to our Shareholders, and will comply with the principles of good corporate governance and provisions set forth in the Code of Corporate Governance 2018. Our Board of Directors has formed three (3) committees, namely, our Audit Committee, our Remuneration Committee and our Nominating Committee.

BOARD PRACTICES

Our Directors are appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. One third (or the number nearest one third) of our Directors, are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once in every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Further details on the appointment and retirement of Directors can be found in the section entitled “Appendix D – Selected Extracts of our Constitution” of this Offer Document.

Audit Committee

The members of our Audit Committee are Lim Tai Toon, San Wee and John Tan. The Chairman of our Audit Committee is Lim Tai Toon. Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group.

Our Audit Committee will, *inter alia*, carry out the following responsibilities:

- (a) assist our Board in the discharge of its responsibilities on financial reporting matters;
- (b) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and our management’s response, and results of our audits compiled by our internal and external auditors;
- (c) review the half-yearly and annual financial statements and results announcements (including casting an oversight on the AccTax Guaranteed Profit and the Guaranteed Profit, and the related payments to our Company) before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;
- (d) review the effectiveness and adequacy of our Group’s internal control and procedures, including accounting, financial controls and procedures and ensure coordination between our Group’s internal and external auditors, and management; review the assistance given by the management to the auditors, discuss concern and problems, if any, arising from the audit, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
- (e) review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit functions, and assessing the independence and objectivity of the external auditors;

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- (f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;
- (g) make recommendations to the Board on the proposals to our Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (h) review significant financial reporting issues and judgments with the Financial Controller and the external auditors so as to ensure the integrity of the financial statements of our Group and any announcements relating to our Group's financial performance before their submission to our Board of Directors;
- (i) review and report to the Board at least annually the adequacy and effectiveness of our Group's internal controls and risk management systems with the Financial Controller and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;
- (j) review and approve any transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;
- (k) review any potential conflicts of interest;
- (l) review and approve any hedging policies and instruments to be implemented by our Group;
- (m) undertake such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee;
- (n) review our policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on, and ensure that our Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and
- (o) generally to undertake such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

Our Audit Committee will meet, at minimum, once every six (6) months. Apart from the duties listed above, our Audit Committee shall commission an annual risk management and internal controls audit until such time that it is satisfied that the risk management and internal controls of our Group are sufficiently robust and effective in mitigating any key risk management or internal control weaknesses our Group may have. Prior to decommissioning such annual risk management and internal controls audit, our Board shall report to the Sponsor and the SGX-ST, the basis for deciding to decommission the annual risk management and internal controls audit and the measures taken to rectify our key weaknesses and/or strengthen our risk management and internal controls. Thereafter, our Audit Committee shall commission such audits as and when it deems fit for the purposes of satisfying itself that our Group's risk management and internal controls have remained robust and effective. Upon the completion of a risk management and internal control audit, our Board shall make the appropriate disclosures via SGXNET of any

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material or price-sensitive weaknesses in our Group's risk management or internal controls, and also announce any follow-up actions to be taken by our Board.

Our Audit Committee shall also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of risk management or internal controls or infringement of any Singapore law, rules or regulations which has or is likely to have a material impact on our Group's operating results and/or financial position. Each member of our Audit Committee shall abstain from reviewing any particular transaction or voting on such resolution in respect of which he is or may be interested in.

Our Board of Directors has also noted that no material risk management or internal control weaknesses have been raised by our Independent Auditors and Reporting Accountants in the course of their audit of the financial statements of our Group for the past three (3) financial years ended 31 December 2015, 2016 and 2017.

Following our Listing on Catalist, our Audit Committee will continually review the effectiveness of the internal control and risk management procedures within our Group and, if necessary, outsource our Group's internal audit function to ensure the adequacy and sufficiency of internal controls and risk management procedures within our Group.

Based on the foregoing, our Board of Directors, after making all reasonable enquiries and to the best of its knowledge and belief, with the concurrence of our Audit Committee, is of the opinion that the internal controls and risk management system of our Group are adequate to address the financial, operational and compliance risks.

Nominating Committee

Our Nominating Committee comprises San Wee, Lim Tai Toon and John Tan. The Chairman of our Nominating Committee is San Wee. Our Nominating Committee will:

- (a) establish a formal and transparent process for the appointment and re-appointment of Directors to our Board, taking into account the need for progressive renewal of our Board, and assessing annually the effectiveness of our Board as a whole, and that of each of our Board committees and individual Directors;
- (b) make recommendations to our Board on relevant matters relating to:
 - (i) the review of board succession plans for directors, in particular, our Chairman, our Chief Executive Officer and other persons having authority and responsibility for planning, directing and controlling the activities of our Group ("**Key Management Personnel**");
 - (ii) the development of a process for evaluation of the performance of our Board, its board committees and Directors;
 - (iii) the review of training and professional development programs for our Board; and
 - (iv) the appointment and re-appointment of Directors (including alternate Directors, if applicable);
- (c) review and approve any new employment of related persons and proposed terms of their employment;

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- (d) determining the composition of our Board, taking into account the future requirements of our Company, the need for diversity in regard to our Board composition and other considerations such as those set out in Provision 2.6 of the Code of Corporate Governance 2018;
- (e) recommend to our Board appointments of board members, including re-nominations of existing Directors for re-election in accordance with our Constitution, taking into account the Director's contribution and performance;
- (f) determine on an annual basis whether or not a Director of our Company is independent, taking into account the circumstances set forth in the Code of Corporate Governance 2018 and any other salient factors;
- (g) decide whether or not a Director of our Company is able to and has been adequately carrying out his duties as a Director; and
- (h) to decide how our Board's performance may be evaluated and propose objective performance criteria, as approved by our Board that allows comparison with its industry peers, and address how our Board has enhanced long-term shareholders' value.

The Nominating Committee will decide how our Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of our Board, which address how our Board has enhanced long-term shareholders' value. The performance evaluation will also include consideration of our Share price performance over a five (5)-year period vis-à-vis the Singapore Straits Times Index and a benchmark index of our industry peers. Our Board will also implement a process to be carried out by the Nominating Committee for assessing the effectiveness of our Board as a whole and for assessing the contribution by each individual Director to the effectiveness of our Board.

Each member of the Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as director of our Company. In the event that any member of the Nominating Committee has an interest in a matter being deliberated upon by the Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

Nominating Committee's view of our Independent Directors

The Nominating Committee, having taken into consideration the following:

- (a) the number of listed company directorships by each of our Independent Directors;
- (b) the principal commitments of our Independent Directors;
- (c) the confirmations by our Independent Directors stating that they are each able to devote sufficient time and attention to the matters of our Company;
- (d) the confirmations by our Independent Directors that each of them is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any Controlling Shareholder of our Company, has no relationship with our Company, our related corporations, our Substantial Shareholders or our officers that could interfere or be reasonably perceived to interfere, with the exercise of his or her independent business judgment in the best interests of our Company;

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- (e) our Independent Directors' working experience and expertise in different areas of specialisation; and
- (f) the composition of our Board,

is of the view that (i) each of our Independent Directors is individually and collectively able to devote sufficient time to the discharge of their duties and are suitable and possess relevant experience as Independent Directors of our Company and (ii) our Independent Directors, as a whole, represent a strong and independent element on our Board which is able to exercise objective judgment on corporate affairs independently from our Controlling Shareholders.

Our Company has also undertaken to the SGX-ST that we shall ensure that the Board composition of our Company complies with Provision 2.2 of the Code of Corporate Governance 2018, which requires independent Directors to make up a majority of the composition of the Board where the chairman of the Board is not independent, prior to the issuance of our Company's annual report covering FY2019.

Remuneration Committee

The members of our Remuneration Committee are San Wee, Lim Tai Toon and John Tan. The Chairman of our Remuneration Committee is San Wee. Our Remuneration Committee shall recommend to our Board a framework of remuneration for our Directors and Executive Officers, as well as specific remuneration packages for each Executive Director and Executive Officers. The quantum of the bonus of our Executive Director and Chief Executive Officer will be subject to the approval of our Remuneration Committee. Subject to the terms of the Service Agreements, the bonus for our other Executive Officers will be determined by our Executive Director and Chief Executive Officer.

The recommendations of our Remuneration Committee shall be submitted for endorsement by our entire Board. The scope of responsibilities of our Remuneration Committee encompasses all aspects of remuneration, including but not limited to our Directors' and Executive Officers' fees, salaries, allowances, bonuses, options and benefits-in-kind. Our Remuneration Committee shall also review the remuneration of senior management and employees related to our Directors, if any. Other responsibilities of our Remuneration Committee include:

- (a) ensuring the remuneration policies and systems of our Group, as approved by our Board, support our Group's objectives and strategies, and are consistently administered and being adhered to within our Group;
- (b) in the case of service agreements (including the Service Agreements), reviewing our obligations arising in the event of termination of Executive Director's or Executive Officers' service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous; and
- (c) proposing, for adoption by our Board, measurable, appropriate and meaningful performance criteria to assist in the evaluation of the performance of Directors, Executive Officers and of our Board as a whole.

Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his or her remuneration package and any matter being reviewed or considered by the Remuneration Committee in which he has an interest in.

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Our Remuneration Committee shall also ensure that the level and structure of remuneration should be aligned with the long-term interest and risk policies of our Group and should be appropriate, to attract, retain and motivate our Directors to provide good stewardship of our Group, and our Executive Officers to successfully manage our Group, as well as ensure accountability of our Group.

If necessary, our Remuneration Committee shall seek expert advice inside and/or outside our Company on remuneration matters. Our Remuneration Committee shall ensure that existing relationships, if any, between our Company and our appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

DESCRIPTION OF OUR SHARES

The following statements are brief summaries of the more important rights and privileges of our Shareholders. Please also refer to the section entitled “Appendix D – Selected Extracts of our Constitution” of this Offer Document for further details. A copy of our Constitution will be available for inspection at our offices during normal business hours for a period of six (6) months from the date of the registration of this Offer Document with the SGX-ST.

Our Company was converted from a private limited company into a public company limited by shares on 9 November 2018. The following are summaries of our capital structure and the more important rights and privileges of our Shareholders as conferred by the laws of Singapore and our Constitution. These statements summarise material provisions of our Constitution but are qualified in entirety by reference to our Constitution and the laws of Singapore. The summary below does not purport to be complete and is qualified in its entirety by reference to our Constitution.

Shares

We have only one (1) class of shares, namely, our Shares, which have identical rights in all respects and rank equally with one another. Our Constitution provides that subject to the Companies Act and the listing rules of the SGX-ST, we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges or conditions as our Directors may think fit and may issue preference shares which are, or at our option are, redeemable, the terms and manner of redemption being determined by our Directors. Our Shares do not have a par value.

As at the date of this Offer Document, 104,007,540 Shares have been issued and fully paid. No Shares are held by, or on behalf of, us or our subsidiaries. We may, subject to the provisions of the Companies Act and the listing rules of the SGX-ST, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

New Shares

No Shares may be issued by our Directors without prior sanction of an ordinary resolution of our Company in a general meeting pursuant to the Companies Act.

Shareholders

We maintain a register of Shareholders containing the particulars of our Shareholders. Only persons who are registered on our register of Shareholders and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for our Shares, are recognised as our Shareholders. Except as required by law, no person shall be recognised by our Company as holding any share upon any trust and we will not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share or (except only as provided by our Constitution or by law) any other rights in respect of any Share except an absolute right to the entirety thereof in the person (other than CDP) entered in the register of Shareholders as the registered holder thereof or (where the person entered in the register of Shareholders is CDP) the person whose name is entered in the Depository Register in respect of that Share. If any Share stands jointly in the names of two (2) or more persons, the person whose name stands first in the Depository Register shall as regards service of notices and, subject to the provisions of the Constitution, all or any other matters connected with our Company except with respect to the transfer of Shares, be deemed the sole holder thereof.

DESCRIPTION OF OUR SHARES

We may close our register of Shareholders if we provide the SGX-ST with at least five (5) clear Market Days' notice, or such other periods as may be prescribed by the SGX-ST. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We typically close the register of Shareholders to determine our Shareholders' entitlement to receive dividends and other distributions.

Transfer of Shares

There is no restriction on the transfer of fully paid-up Shares except where required by law or the Catalist Rules or the rules or bye-laws of the SGX-ST. Our Directors may decline to register any transfer of Shares which are not fully paid up to a transferee of whom they do not approve, or Shares on which we have a lien. Subject to our Constitution, Shares may be transferred by any Shareholder by a duly signed instrument of transfer in a form approved by the SGX-ST. Our Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence as they may require to show the right of the transferor to make the transfer.

We will replace lost or destroyed certificates for Shares if the applicant pays a fee which will not exceed S\$2.00 and furnishes any evidence and indemnity that our Directors may require.

General Meetings of Shareholders

We are required to hold an annual general meeting every year. Under our Constitution, the annual general meeting shall be held in each year (within a period of not more than 15 months after the holding of the last preceding annual general meeting). In addition, the interval between the close of our Company's financial year and the date of our Company's annual general meeting shall not exceed four (4) months or such period as may be prescribed or permitted by the Companies Act and the listing rules of the SGX-ST.

Our Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total voting rights of all our Shareholders, request in writing that such a meeting be held. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of Directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to our Constitution, a change of our corporate name and a reduction in our share capital. We must give at least 21 days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 days' notice in writing. The notice must be given to each of our Shareholders who have supplied us with an address in Singapore for the giving of notices and must specify the place, day and hour of the meeting and, in the case of special business, the general nature of that business.

DESCRIPTION OF OUR SHARES

Voting Rights

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy or attorney. A proxy or attorney does not need to be a Shareholder. A Depositor will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register maintained by CDP 72 hours before the general meeting. Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Constitution, at any general meeting, every Shareholder present in person or by proxy shall have one (1) vote for each fully paid Share which he holds or represents. In the case of a tie vote, the Chairman of the meeting shall be entitled to a casting vote.

Dividends

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting. Our Board may also declare an interim dividend without the approval of our Shareholders.

We must pay all dividends out of our profits. We may satisfy dividends by the issue of Shares to our Shareholders. Please refer to the section entitled “Description of our Shares – Bonus and Rights Issue” below.

All dividends are paid to our Shareholders in proportion to the amount paid-up on each Shareholder’s Shares, subject to any rights or restrictions attached to any Share or class of shares.

Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address appearing in our register of Shareholders or (as the case may be) the Depository Register. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

Bonus and Rights Issue

Our Board may, with the approval of our Shareholders at a general meeting, capitalise any sums standing to the credit of any of our Company’s reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account and distribute the same as bonus shares credited as paid-up to our Shareholders in proportion to their shareholdings.

Our Board may also issue rights to take up additional Shares to Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which we are listed.

Our Board may also issue bonus Shares to participants of any share incentive or option scheme or plan implemented by our Company and approved by our Shareholders in such manner and on such terms our Board shall think fit.

DESCRIPTION OF OUR SHARES

Takeovers

There are requirements under Singapore laws on take-over offers for our Shares that apply to us. We will be subject to Sections 138, 139 and 140 of the SFA and the Take-over Code issued by the Authority pursuant to Section 321 of the SFA for so long as our Shares are listed for quotation on the SGX-ST. The Take-over Code regulates the acquisition of ordinary shares of public companies or corporations, all or any of the shares of which are listed for quotation on a securities exchange, and contains certain provisions that may delay, deter or prevent a take-over or change in control of such a public company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting shares in such a public company, or if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of the voting shares in that company and acquires additional voting shares representing more than 1.0% of the voting shares in that company in any six (6)-month period, must, except with the consent of the Securities Industry Council, extend a take-over offer for the remaining voting shares in accordance with the provisions of the Take-over Code. Under the Take-over Code, “parties acting in concert” comprise individuals or companies who, pursuant to an arrangement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed to be acting in concert with each other unless the contrary is established, as follows:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its customer in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;

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- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Take-over Code, a take-over offer for consideration other than cash must, subject to certain exceptions, be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror during the offer period and within the preceding six (6) months.

An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that our Shareholders subject to the take-over offer must be given sufficient information, advice and time to consider and decide on the offer.

Obligation to notify substantial shareholdings and changes thereto

Under the SFA, a person has a substantial shareholding in our company if he has an interest (or interests) in one (1) or more voting shares (excluding treasury shares) in our Company and the total votes attached to that share or those shares, is not less than 5.0% of the aggregate of the total votes attached to all voting shares (excluding treasury shares) in our Company.

The SFA requires Substantial Shareholders, or if they cease to be Substantial Shareholders, to give notice in writing of particulars of the voting shares in our Company in which they have or had an interest (or interests) and the nature and extent of that interest or those interests, and of any change in the percentage level of their interest.

In addition, the deadline for a Substantial Shareholder to make disclosure to our Company under the SFA is two (2) business days after he becomes aware:

- (a) that he is or (if he had ceased to be one) had been a Substantial Shareholder;
- (b) of any change in percentage level in his interest; or
- (c) that he had ceased to be a Substantial Shareholder,

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there being a conclusive presumption of a person being “aware” of a fact or occurrence at the time at which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware.

Following the above, we will in turn announce or otherwise disseminate the information stated in the notice to the SGX-ST as soon as practicable and in any case, no later than the end of the Singapore business day following the day on which we received the notice.

“Percentage level”, in relation to a Substantial Shareholder in our Company, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in our Company in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares (excluding treasury shares) in our Company, and, if it is not a whole number, rounding that figure down to the next whole number.

While the definition of an **“interest”** in our voting shares for the purposes of Substantial Shareholder disclosure requirements under the SFA is similar to that under the Companies Act, the SFA provides that a person who has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, a voting share is regarded as having an interest in such share, even if such authority is, or is capable of being made, subject to restraint or restriction in respect of particular voting shares.

Liquidation or Other Return of Capital

If we are liquidated or in the event of any other return of capital, Shareholders will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

Indemnity

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified by us against all costs, charges, losses, expenses and liabilities incurred in (a) the execution and discharge of their duty in their respective offices unless such costs, charges, losses, expenses or liabilities arise as a result of any negligence, fraud, default, breach of duty or breach of trust on their part, and (b) defending any proceedings, whether civil or criminal, relating to the affairs of our Company, in which judgement is given in their favour or in which they are acquitted or in connection with any application under the Companies Act in which relief is granted by the court unless such costs, charges, losses, expenses or liabilities arise as a result of any negligence, default, breach of duty or breach of trust on their part.

Limitations on Rights to Hold or Vote Shares

There are no limitations imposed by Singapore law or by our Constitution on the rights of non-resident Shareholders to hold or vote in respect of our Shares.

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Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our shareholders, as they think fit to remedy any of the following situations where:

- (a) our affairs are being conducted or the powers of our Directors are being exercised in a manner oppressive to, or in disregard of the interests of, one or more of our Shareholders; or
- (b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of our Shareholders, including the applicant.

Singapore courts have wide discretion as to the relief they may grant and such relief is in no way limited to those listed in the Companies Act. Without prejudice to the foregoing, the Singapore courts may:

- (i) direct or prohibit any act or cancel or vary any transaction or resolution;
- (ii) regulate the conduct of our affairs in the future;
- (iii) authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- (iv) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital;
- (v) direct that our Constitution be amended; or
- (vi) provide that we be wound up.

EXCHANGE CONTROLS

There are no Singapore government laws, decrees, regulations or other legislation that may affect the following:

- (a) the import or export of capital, including the availability of cash and cash equivalents for use by our Group; and
- (b) the remittance of dividends, interest or other payments to non-resident holders of our Company's securities.

TAXATION

SINGAPORE TAXATION

The following is a discussion of certain tax matters relating to Singapore income tax, capital gains tax, stamp duty, estate duty and GST consequences in relation to the subscription, purchase, ownership and disposal of our Shares based on the current tax laws in Singapore. The discussion is limited to a general description of certain tax consequences in Singapore with respect to ownership of our Shares by Singapore investors, and does not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to subscribe for and/or purchase our Shares. It is also not intended to be and does not constitute legal or tax advice. The discussion below is based on the assumption that our Company is a tax resident in Singapore for Singapore income tax purposes. The laws, regulations and interpretations, may change at any time, and any change could be made on a retroactive basis. These laws and regulations are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts of Singapore will agree with the explanations or conclusions set out below or that changes in such laws and regulations will not occur. Prospective subscribers and/or purchasers should consult their tax advisers and/or legal advisers concerning the tax consequences of owning and disposing of our Shares. Neither our Company, our Directors, the Vendor nor any other persons involved in the Placement accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of our Shares.

Singapore Income Tax

Individual income tax

Individual taxpayers who are Singapore tax residents are subject to tax on income accrued or derived from Singapore. All foreign-sourced income (except for income received through a partnership in Singapore) received on or after 1 January 2004 in Singapore by tax resident individuals will be exempt from tax. Certain Singapore-sourced investment income (such as interest from debt securities) derived by tax resident individuals on or after 1 January 2004 from certain financial instruments (other than income derived through a partnership in Singapore or from the carrying on of a trade, business or profession) will be exempt from tax.

A Singapore tax resident individual is taxed at progressive rates ranging from 0.0% to a maximum rate of 22.0% after deduction of qualifying personal reliefs where applicable, with effect from the year of assessment 2017.

Non-resident individuals, subject to certain exceptions, are generally subject to income tax on income accrued in or derived from Singapore at a flat rate of 22.0%, with effect from year of assessment 2017 except that Singapore employment income is taxed at 15.0% or at the progressive resident rates, whichever yields a higher tax. However, Singapore does not tax capital gains. A non-resident individual (other than a director) exercising a short-term employment in Singapore for not more than 60 days may be exempt from tax in Singapore.

An individual is regarded as a tax resident in Singapore if in the calendar year preceding the year of assessment, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides in Singapore.

TAXATION

Corporate income tax

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on:

- income accrued in or derived from Singapore; and
- foreign sourced service income received or deemed received in Singapore, unless otherwise exempted.

Foreign income in the form of branch profits, dividends and service fee income ("**specified foreign income**") received or deemed received in Singapore by a Singapore tax resident corporate taxpayer on or after 1 June 2003 are exempted from Singapore tax subject to meeting the qualifying conditions.

A non-Singapore tax resident corporate taxpayer, subject to certain exceptions, is subject to Singapore income tax on income accrued in or derived from Singapore, and on foreign income received or deemed received in Singapore.

A company is regarded as tax resident in Singapore if the control and management of the company's business is exercised in Singapore. In general, control and management of the company is vested in its board of directors and therefore if the board of directors meets and conducts the company's business in Singapore, the company will be regarded as tax resident in Singapore.

The corporate tax rate in Singapore is 17.0% with effect from the year of assessment 2010 after allowing partial tax exemption on the first S\$300,000 of a company's chargeable income as follows:

- (a) 75.0% of up to the first S\$10,000 of a company's chargeable income (excluding Singapore franked dividends); and
- (b) 50.0% of up to the next S\$290,000 of a company's chargeable income (excluding Singapore franked dividends).

It is announced in the 2018 Budget that with effect from year of assessment 2020, the partial tax exemption scheme will be limited to the first S\$200,000 (instead of S\$300,000) of the normal chargeable income – 75.0% of the first S\$10,000 and 50.0% of the next S\$190,000.

Further, new start-up companies will, subject to certain conditions, be eligible for full tax exemption on their normal chargeable income (other than Singapore dividends) of up to S\$100,000 and 50.0% tax exemption on up to the next S\$200,000 of normal chargeable income in each of the company's first three (3) consecutive years of assessment. The remaining chargeable income (after the tax exemption) will be taxed at the applicable corporate tax rate. It has been announced in the 2018 Budget that with effect from the year of assessment 2020, the tax exemption scheme for new start-up companies will be limited to the first S\$200,000 (instead of S\$300,000) of the normal chargeable income. The tax exemption on the first S\$100,000 will also be reduced from 100.0% to 75.0%.

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Dividend Distributions

As our Company will be tax resident in Singapore, dividends paid by our Company would be considered as sourced from Singapore. Dividends received in respect of the Shares by either Singapore tax resident or non-Singapore tax resident taxpayers are not subject to Singapore withholding tax, even if paid to non-Singapore resident shareholders.

Currently, (subject to certain transitional rules), Singapore has adopted the “One-Tier” Corporate Tax System (“**One-Tier System**”). Under this One-Tier System, the tax collected from corporate profits is the final tax and our Company can pay tax exempt (one-tier) dividends which are tax exempt in the hands of the shareholder, regardless of the tax residence status or the legal form of the shareholder.

Capital Gains Tax

Singapore does not impose a tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains may be construed to be of an income nature and therefore be subject to tax if they arise from activities which the IRAS regards as the carrying on of a trade or business in Singapore. Any profits from the disposal of the Shares are not taxable in Singapore unless the seller is regarded as having derived gains of an income nature in Singapore, in which case, the disposal profits would be taxable as trading income.

Bonus Shares

Under current Singapore tax law and practice, a capitalisation of profits followed by the issue of new shares, credited as fully paid, pro-rata to shareholders (“**bonus issue**”) does not represent a distribution of dividends by a company to its shareholders. Therefore, a Singapore resident shareholder receiving shares by way of a bonus issue should not have a liability to Singapore tax.

When a dividend is to be satisfied wholly or in partly in the form of an allotment of ordinary shares credited as fully paid, the dividend declared will be treated as income to its shareholders. However, as our Company had moved to the One-Tier System after 31 December 2007, any dividend paid on or after 1 January 2008 will be exempt from Singapore tax. Similarly, when Shareholders are given the right to elect to receive an allotment of ordinary Shares credited as fully paid in lieu of cash, the dividend declared will be treated as exempt (one-tier) dividend income and will not be subject to Singapore tax.

Adoption of FRS 39 treatment for Singapore income tax purposes

On 30 December 2005, the IRAS issued a circular entitled “Income Tax Implications arising from the adoption of FRS 39-Financial Instruments: Recognition and Measurement” (the “**FRS 39 Circular**”). Legislative amendments to give effect to the FRS 39 Circular have been enacted via the Income Tax (Amendment) Act 2006, with such amendments having been deemed to come into operation on 1 January 2005. The FRS 39 Circular generally applies, subject to the tax treatment under the FRS 39 Circular, Shareholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or conversion of the Shares.

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Adoption of SFRS (I) 9 Financial Instruments (“SFRS (I) 9”) Tax Treatment

The SFRS (I) 9 replaces the existing FRS 39 and it applies to companies for financial years beginning on or after 1 January 2018.

Generally, the tax treatment of financial assets and liabilities on revenue account that are recognised and measured under SFRS (I) 9 will generally be aligned with the accounting treatment. There is no option for companies to opt out of the SFRS (I) 9 tax treatment. Any gains or losses arising from our Shares that are held on revenue account recognised in the profit and loss account will be taxed or allowed as a deduction, regardless of whether the gains or losses are realised or not. Gains or losses arising from our Shares held on capital account will not be taxed or allowed as a deduction.

For equity instruments on revenue account measured at fair value through other comprehensive income (“OCI”), the gain or loss recognised in OCI will not be taxed or allowed as a deduction until they are realised. Therefore, at the time of de-recognition, the cumulative gains or losses recognised and remaining in OCI will be taxed or allowed as a deduction. Shareholders who are impacted by SFRS (I) 9 are advised to consult their own tax advisers accordingly.

Stamp Duty

There is no stamp duty payable on the subscription, allotment or holding of our Shares.

Stamp duty is payable on the instrument of transfer of our Shares at the rate of 0.2% of the consideration paid or market value of our Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or if the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

However, as our Shares will be listed on Catalist and their transfers will be “scripless” transfers via the CDP, no stamp duty will be imposed on the transfers of our Shares via the CDP.

GST

The sale of the Shares by an investor belonging to Singapore through a SGX-ST member or to another person belonging in Singapore is an exempt sale not subject to GST. Any GST directly or indirectly incurred by the investor in respect of this exempt sale will become an additional cost to the investor.

Where our Shares are sold by a GST-registered investor in the course of a business to a person belonging outside Singapore, and that person is outside Singapore when the sale is executed, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at zero-rate. Any GST incurred by a GST-registered investor in the making of this supply in the course of furtherance of a business may, subject to the provisions of the Goods and Services Tax Act, be offset against the investor’s GST liability and, in the event of an excess input tax credit, recovered from the Comptroller of GST of Singapore.

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Services such as brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the current rate of 7%. Similar services rendered to an investor belonging outside Singapore is generally subject to GST at zero-rate, provided that the investor is outside Singapore when the services are performed and the services provided do not benefit any Singapore persons.

Estate duty

With effect from 15 February 2008, Singapore estate duty has been abolished.

Individuals, whether or not domiciled in Singapore, should consult their own tax advisers regarding the Singapore tax and estate duty consequences of their ownership of the Shares.

CLEARANCE AND SETTLEMENT

Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of the CDP, and all dealings in and transactions of the Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with the CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and Depository Agents in the Depository Register maintained by the CDP, rather than CDP itself, will be treated, under our Constitution and the Securities and Futures Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical Share certificates. Such Share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing the Shares from the book-entry settlement system and obtaining physical Share certificates. In addition, a fee of S\$2.00 or such other amount as our Directors may decide, is payable to the share registrar for each Share certificate issued and a stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares or S\$0.20 per S\$100.00 or part thereof of the last-transacted price where it is withdrawn in the name of a third party. Persons holding physical Share certificates who wish to trade on Catalist must deposit with CDP their Share certificates together with the duly executed and (where necessary) stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S\$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer of stamp duty is currently payable for the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at 7.0% (or such other rate prevailing from time to time).

Dealings of our Shares will be carried out in Singapore dollars and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a CDP Depository Agent. The CDP Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS, EXECUTIVE OFFICERS AND CONTROLLING SHAREHOLDERS

1. Save as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders:
 - (a) has, at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time he or she was a partner or at any time within two (2) years after the date he or she ceased to be a partner;
 - (b) has, at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity, or at any time within two (2) years after the date he or she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (c) has any unsatisfied judgement against him or her;
 - (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such purpose;
 - (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such breach;
 - (f) has, at any time during the last 10 years, had judgement entered against him or her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his or her part, or has been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;
 - (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
 - (h) has ever been disqualified from acting as a director or equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
 - (i) has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;

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- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere,
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,in connection with any matter occurring or arising during the period when he or she was so concerned with the entity or business trust; or
- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Disclosure by our Independent Non-executive Director, San Wee

Our Independent Non-executive Director, San Wee, is the founder and Chairman of the Learning Point group of companies ("**Learning Point Group**"), which provides enrichment classes for pre-school, primary and secondary school students. Turnaround Management Services Pte. Ltd. ("**TMS**"), which San Wee had founded and is director and shareholder of, provides management services to the Learning Point Group.

The Learning Point Group had previously engaged certain teachers since the early 2000s as service providers of the Learning Point Group ("**Service Teachers**") and had entered into service contracts with such Service Teachers. As these Service Teachers were considered independent contractors by the Learning Point Group and not employees, their service contracts did not provide for employer's contribution of CPF by the Learning Point Group.

In 2016, the CPF board conducted an audit on the payment of CPF contributions for teachers within the education industry, and San Wee was involved in discussions with the CPF board and had assisted the CPF board in their investigations on the non-payment of CPF contributions for the Service Teachers, whom the CPF board had deemed employees of the Learning Point Group.

In January 2017, the Learning Point Group entered into revised service agreements with the Service Teachers and made due and full contribution of the outstanding CPF contributions to the CPF board in January 2017, and the corresponding late payment interest amounts were paid in March 2017. The CPF board had, in February 2017, acknowledged in writing to TMS the payment and settlement of the outstanding CPF contributions, and there has been no follow-up action from the CPF board since.

GENERAL AND STATUTORY INFORMATION

Disclosures by our Controlling Shareholders, Dr. Heah and Dr. Chia

Our Controlling Shareholders, Dr. Heah and Dr. Chia, have previously been notified by the Singapore Medical Association (“**SMA**”) and/or Singapore Medical Council (“**SMC**”) of the following complaints which were made:

- (a) against Dr. Heah, (i) by a patient for erroneous billing in December 2012, whereby the error has since been rectified prior to such notification and the complaint was subsequently dismissed by the SMC; (ii) by another specialist doctor for not making inquiries with him personally prior to taking over the case of a patient in January 2010, whereby Dr. Heah cooperated with the SMC during their inquiry and the complaint has since been dismissed; and (iii) in November 2015, by a patient who alleged that Dr. Heah had misdiagnosed her condition, whereby Dr. Heah maintains that his diagnosis had been correct and that, *inter alia*, the patient had not purchased the medicine he prescribed to her following his diagnosis and had consumed other medication of unverified origin. The SMA has since responded to the complainant and there has since been no further action; and
- (b) against Dr. Chia, by a patient’s daughter with the SMC in August 2015 alleging that, among others, Dr. Chia had pressured her mother into agreeing to surgery, that he had admitted her mother to a hospital not of her choice and that he had provided inadequate medical care to her mother. Dr. Chia submitted to the SMC that the complaints were groundless and this was supplemented by an expert’s report from a senior consultant who supported his professional decisions relating to this matter. The SMC reviewed the complaint and subsequently dismissed the complaint on 20 April 2016.

Dr. Heah and Dr. Chia understand that the complaints were subsequently discontinued and/or dismissed. As at the Latest Practicable Date, no further action has been taken against Dr. Heah and Dr. Chia by either the SMA or the SMC.

In 2013, Dr. Chia received a complaint which was lodged against him with the SMC by a former patient in relation to an operation that Dr. Chia had performed on her in 2010. The Complaints Committee of the SMC (the “**Complaints Committee**”) reviewed the complaint in light of expert evidence and subsequently dismissed the complaint. On 2 September 2015, a letter of advice was issued to Dr. Chia to inform him of the Complaints Committee’s decision and to advise him to improve his documentation processes with patients. A civil suit was also initiated by the former patient against Dr. Chia but was subsequently dismissed by the High Court of Singapore on 19 September 2016.

- 2. There is no shareholding qualification for Directors under our Constitution.
- 3. Save as disclosed in the section entitled “Restructuring Exercise” and “Interested Person Transactions” of this Offer Document, none of our Directors is interested, directly or indirectly, in the promotion of, or in any property or assets which have, within the two years preceding the date of this Offer Document, been acquired or disposed of by or leased to, our Company or our subsidiaries.

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4. No sum or benefit has been paid or is agreed to be paid to any Director or expert, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.
5. Save as disclosed above and in the sections entitled “Share Capital”, “Restructuring Exercise”, “General Information on our Group – History”, “General Information of our Group – Business Strategies and Future Plans”, “Interested Person Transactions”, “Potential Conflicts of Interest” and “Directors, Executive Officers and Employees – Service Agreements” of this Offer Document:
 - (a) none of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has had any interest, direct or indirect, in any transactions to which our Company was or is to be a party;
 - (b) none of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company carrying on the same business or a similar trade which competes materially and directly with the existing business of our Group;
 - (c) none of our Directors, Executive Officers, Substantial Shareholders or any of their Associates has any interest, direct or indirect, in any company that is our major client or major supplier of goods and services; and
 - (d) none of our Directors has any interest in any existing contract or arrangement which is significant in relation to the business of our Company and our subsidiaries, taken as a whole.

SHARE CAPITAL

6. As at the Latest Practicable Date, there is only one class of shares in the capital of our Company. There are no founder, management or deferred shares. The rights and privileges attached to our Shares are stated in our Constitution.
7. Save as disclosed in the sections entitled “Share Capital”, “Shareholders” and “Restructuring Exercise” of this Offer Document, there are no changes in the issued and paid-up share capital of our Company, and our subsidiaries within the last three (3) years preceding the date of this Offer Document.
8. Save as disclosed below and in the sections entitled “Share Capital” and “Restructuring Exercise” of this Offer Document, there were no significant changes in the percentage of ownership of Shares in our Company within the last three (3) years preceding the Latest Practicable Date:
 - (a) on 5 July 2017, Jessie Low and John Tan each transferred 4,656 Shares and 245 Shares, representing approximately 46.55% and 2.45% of the then issued and paid-up share capital of our Company respectively, to HCSS.

GENERAL AND STATUTORY INFORMATION

9. Save as disclosed in the sections entitled “Share Capital”, “Shareholders” and “Restructuring Exercise” of this Offer Document, no shares in, or debentures of, our Company or any of our subsidiaries have been issued, or are proposed to be issued, as fully or partially paid, and whether for cash or for a consideration other than cash, during the three (3) years preceding the Latest Practicable Date.
10. Apart from the Performance Share Plan and the Employee Share Option Scheme, our Company does not have any arrangement that involves the issue or grant of options or Shares to the directors or employees of our Group.

MATERIAL CONTRACTS

11. Save as disclosed in the sections entitled “Share Capital”, “Restructuring Exercise”, “General Information on our Group – History”, “General Information on our Group – Business Strategies and Future Plans”, “Interested Person Transactions” and “Potential Conflicts of Interests” of this Offer Document, our Group and its subsidiaries have not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two years preceding the date of lodgement of this Offer Document.

LITIGATION

12. To the best of our knowledge and belief, having made all reasonable enquiries, none of our Company or any of our subsidiaries is engaged in any legal or arbitration proceedings as plaintiff or defendant, including those which are pending or known to be contemplated, which may have or which have had in the 12 months immediately preceding the date of lodgement of this Offer Document, a material effect on our Group’s financial position or profitability of our Company or our subsidiaries.

MANAGEMENT AND PLACEMENT ARRANGEMENTS

13. Pursuant to the Management Agreement dated 30 November 2018 entered into among our Company, the Vendor and NCF as the Sponsor and Issue Manager, our Company and the Vendor have appointed NCF to sponsor and manage the Placement. NCF will receive a management fee for such services rendered.
14. Pursuant to the Placement Agreement dated 30 November 2018 entered into among our Company, the Vendor and UOBKH as the Placement Agent, the Placement Agent has agreed to subscribe for and/or purchase, and/or procure to be subscribed for and/or purchased, the Placement Shares, on the terms and subject to the conditions of this Offer Document and in accordance with the Placement Agreement. UOBKH will receive a placement commission from our Company and the Vendor, of 3.50% of the Placement Price multiplied by the total number of Placement Shares successfully subscribed.
15. The Management Agreement may be terminated by NCF by giving notice in writing of such intention to our Company and the Vendor, prior to 12.00 noon on 5 December 2018 (“**Closing Date**”) if:
 - (a) NCF becomes aware of any inaccuracy or misrepresentation or breach by our Company, the Vendor and/or their agent(s) of any of the warranties, representations, covenants or undertakings given by our Company or the Vendor to NCF in the Management Agreement;

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- (b) any of the conditions specified in the Management Agreement not having been fulfilled or waived by NCF on or before the Closing Date;
- (c) there shall have been or come into effect, since the date of the Management Agreement:
 - (i) in any relevant jurisdiction, any introduction or prospective introduction of or any change in any statute, regulation, order, policy or directive (whether or not having the force of law and including without limitation, any directive or request issued by the SGX-ST) or in the interpretation or application thereof by any court or other competent authority;
 - (ii) any material adverse change, or any development involving a prospective material adverse change or crisis, in local, national or international monetary, financial and capital markets (including stock market, foreign exchange market, inter-bank market or interest rates or money market), political, industrial, economic, legal or monetary conditions, taxation or exchange controls (including without limitation, the imposition or any moratorium, suspension or material restriction on trading in securities generally on the SGX-ST (including Catalist));
 - (iii) any occurrence or any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict that may have a material adverse effect on the financial market;
 - (iv) any regional or local outbreak of disease that may have a material adverse effect on the financial markets;
 - (v) any event or series of events in the nature of *force majeure* (including without limitation, acts of government, strikes, lock-outs, fire, explosion, flooding, civil commotion, acts of war, acts of terrorism, acts of God, epidemics or earthquakes);
 - (vi) any material adverse change, or any development involving a prospective material adverse change, in the business, trading position, operations or prospects of our Company or of our Group as a whole; or
 - (vii) there shall have been, since the date of the Management Agreement, any material change or prospective change in or any introduction or prospective introduction of any legislation, regulation, policy, directive, guideline, rule or byelaw by any relevant government or regulatory body, whether or not having the force of law, or any other occurrence of similar nature that would materially change the scope of work, responsibility or liability required of NCF,

which event(s) shall in the opinion of NCF exercised in good faith (A) be likely to materially prejudice the success of the subscription, transfer, placement or issue of the Placement Shares (whether in the primary market or in respect of dealings in the secondary market) or be likely to have a material adverse effect on the placement of the Placement Shares; (B) be likely to have a material adverse effect on the business, trading position, operations or prospects of our Company or of our Group as a whole; (C) make it impracticable or inadvisable to proceed with the subscription, sale, placement, issue or transfer of the Placement Shares; (D) be such that no reasonable sponsor or issue manager would have entered into the Management Agreement, (E) result in a material fluctuation or material adverse conditions in the SGX-ST which

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event(s) shall in the reasonable opinion of the Placement Agent exercised in good faith be likely to have a material adverse effect on the Placement, or (F) make it uncommercial or otherwise contrary to or outside the usual commercial practices in Singapore for NCF to observe or perform or be obliged to observe or perform the terms of the Management Agreement;

- (d) a stop order is issued by the SGX-ST, acting as agent on behalf of the Authority, or other competent authority pursuant to the Securities and Futures Act (notwithstanding that a supplementary or replacement offer document is subsequently registered with the SGX-ST);
- (e) the SGX-ST or the Authority or other regulatory body having authority over our Company shall make any ruling (or revoke any ruling previously made) the effect of which would restrict or impede the listing of and quotation for the Placement Shares;
- (f) the issue and subscription and/or sale and transfer of the Placement Shares and the NCF Shares (as the case may be) in accordance with the provisions of the Management Agreement shall be prohibited by any statute, order, regulation or directive issued by, or objected to by, any legislative, executive or regulatory body or authority of Singapore or elsewhere (including without any limitation, the Authority and the SGX-ST); or
- (g) there is a conflict of interest for NCF, or any dispute, conflict or disagreement with our Company and/or the Vendor or our Company and/or the Vendor wilfully fails to comply with any advice from or recommendation of NCF.

The Placement Agreement and the obligations of the Placement Agent under the Placement Agreement are conditional upon:

- (i) this Offer Document having been registered by the date of this Offer Document (or such other date as our Company, the Sponsor and Issue Manager and the Placement Agent may agree) by the SGX-ST, acting as agent on behalf of the Authority, in accordance with the Catalist Rules and the Securities and Futures Act;
- (ii) all the issued Shares, including the Placement Shares and the NCF Shares, being admitted to Catalist on or around the date of commencement of trading of the Shares on Catalist ("**Trading Date**") (or such other date as our Company, the Sponsor and Issue Manager and the Placement Agent may agree) or the Placement Agent being satisfied that listing will be granted immediately after such date;
- (iii) such approvals as may be required for the transactions described in the Placement Agreement and this Offer Document being obtained, and not withdrawn or amended, on or before the Trading Date (or such other date as our Company, the Sponsor and Issue Manager and the Placement Agent may agree), and the compliance in full to the satisfaction of all the relevant authorities granting such approvals of all conditions (if any) attaching or in relation thereto on or before the Trading Date (or such other date as our Company, the Sponsor and Issue Manager and the Placement Agent may agree);
- (iv) the registration notice ("**Registration Notice**") being issued or granted by the SGX-ST, acting as agent on behalf of the Authority, and such registration notice not being revoked or withdrawn on or prior to the Trading Date;

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- (v) the compliance by our Company and the Vendor (where applicable) to the satisfaction of the SGX-ST with all the conditions imposed by the SGX-ST in granting the Registration Notice (if any), where such conditions are required to be complied with by the Closing Date or the Trading Date, as the case may be;
- (vi) the compliance with all applicable laws and regulations concerning the Placement, the Listing and the transactions contemplated in the Placement Agreement and this Offer Document and no new laws, regulations and directives having been promulgated, published and/or issued and/or having taken effect or other similar matter having occurred which, in the reasonable opinion of the Placement Agent, have or may have an adverse effect on the Placement and the Listing;
- (vii) there having been, in the reasonable opinion of the Placement Agent, no material adverse change or any development likely to result in a material adverse change in the business, trading, operational, financial or other condition of our Group between the date of the Placement Agreement and the Closing Date nor the occurrence of any event nor the discovery of any fact rendering untrue, incorrect or misleading in any material respect, as at the Closing Date, any of the warranties or representations contained in the Placement Agreement nor any breach by our Company of any of our obligations thereunder;
- (viii) the delivery by our Company and the Vendor to the Placement Agent, on the Closing Date, of a certificate in the form set out in the Placement Agreement signed by a Director;
- (ix) the delivery to the Placement Agent of the due diligence reports in respect of each Group Company and such due diligence reports to be in form and substance reasonably satisfactory to the Placement Agent;
- (x) the delivery to the Placement Agent on the date of this Offer Document of comfort letters dated the date of this Offer Document from the reporting auditors for the Placement in the form and substance reasonably satisfactory to the Placement Agent;
- (xi) the delivery to the Placement Agent on the date of this Offer Document of a disclosure opinion dated the date of this Offer Document from the legal counsel to our Company in the form and substance reasonably satisfactory to the Placement Agent;
- (xii) the delivery to the Placement Agent on the date of this Offer Document of the duly executed moratorium undertakings by the respective shareholders as set out in the section entitled “Shareholders – Moratorium” of this Offer Document;
- (xiii) there having been no material breach of the representations, warranties and undertakings in the Placement Agreement; and
- (xiv) the execution of the Management Agreement on the date of this Offer Document and the Management Agreement not having been terminated or rescinded pursuant to the provisions of the Management Agreement.

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MISCELLANEOUS

16. There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of shares of another corporation or units of a business trust which has occurred between 1 January 2017 and the Latest Practicable Date.
17. No expert is employed on a contingent basis by our Company or our subsidiaries, or has a material interest, whether direct or indirect, in the shares of our Company or our subsidiaries, or has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Placement.
18. Save as disclosed in the sections entitled “Share Capital”, “Shareholders” and “Restructuring Exercise” of this Offer Document, no amount of cash or securities or benefit has been paid or given to any promoter within the two (2) years preceding the Latest Practicable Date or is proposed or intended to be paid or given to any promoter at any time.
19. Save as disclosed in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document, no commission, discount or brokerage has been paid or other special terms granted within the two (2) years preceding the Latest Practicable Date or is payable to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in, or debentures of, our Company or our subsidiaries.
20. Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Banker. In the ordinary course of business, the Receiving Banker will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
21. Save as disclosed in this Offer Document, our Directors are not aware of any relevant material information including trading factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Company and our subsidiaries.
22. Save as disclosed in this Offer Document, the financial condition and operations of our Group are not likely to be affected by any of the following:
 - (a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or any significant economic changes that will materially affect the amount of reported income from operations; and
 - (d) known trends or uncertainties that have had or that we reasonably expect will have a material favourable or unfavourable impact on revenues or operating income.

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23. Save as disclosed in this Offer Document, our Directors are not aware of any event which has occurred since 1 July 2018 to the Latest Practicable Date which may have a material effect on the financial position and results of our Group or the financial information provided in this Offer Document.
24. Details, including the name, address and professional qualifications including membership in a professional body of the auditors of our Company for the Period Under Review are as follows:

Name, professional qualification and address	Partner-in-charge/Professional qualification
BDO LLP 600 North Bridge Road #23-01 Parkview Square Singapore 188778	Leong Hon Mun Peter (a member of the Institute of Singapore Chartered Accountants)

We currently have no intention of changing our auditors after the Listing.

CONSENTS

25. The Independent Auditors and Reporting Accountants, BDO LLP, has given and has not withdrawn their written consent to the issue of this Offer Document with the inclusion herein of the “Independent Auditors’ Report and Audited Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Years Ended 31 December 2015, 2016 and 2017”, the “Independent Auditors’ Review Report and Unaudited Interim Condensed Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Period from 1 January 2018 to 30 June 2018” and the “Independent Auditors’ Assurance Report and Unaudited *Pro Forma* Combined Financial Information of Medinex Limited and its Subsidiaries for the Financial Year Ended 31 December 2017 and for the Financial Period from 1 January 2018 to 30 June 2018” as set out in Appendices A, B and C respectively to this Offer Document, and all references thereto, in the form and context in which they are included and appear in this Offer Document, and to act in such capacity in relation to this Offer Document.
26. The Sponsor and Issue Manager has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which they are included and appear in this Offer Document, and to act in such capacity to this Offer Document.
27. The Placement Agent has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which they are included and appear in this Offer Document, and to act in such capacity in relation to this Offer Document.
28. Each of the Solicitors to the Placement and Legal Adviser to our Company on Singapore Law, the Share Registrar and Share Transfer Office and the Receiving Banker do not make or purport to make any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and each of them makes no representation regarding any statement in this Offer Document and to the maximum extent permitted by law,

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expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, this Offer Document.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS AND THE VENDOR

29. This Offer Document has been seen and approved by our Directors and the Vendor and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement, our Company and our subsidiaries, and our Directors and the Vendor are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors and the Vendor has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

DOCUMENTS FOR INSPECTION

30. The following documents or copies thereof may be inspected at our registered office during normal business hours for a period of six (6) months from the date of registration of this Offer Document by the SGX-ST (acting as agent on behalf of the Authority):
- (a) our Constitution;
 - (b) the Independent Auditors' Report and Audited Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Years Ended 31 December 2015, 2016 and 2017;
 - (c) the Independent Auditors' Review Report and Unaudited Interim Condensed Combined Financial Statements of Medinex Limited and its Subsidiaries for the Financial Period from 1 January 2018 to 30 June 2018;
 - (d) the Independent Auditors' Assurance Report and Unaudited *Pro Forma* Combined Financial Information of Medinex Limited and its Subsidiaries for the Financial Year Ended 31 December 2017 and for the Financial Period from 1 January 2018 to 30 June 2018;
 - (e) the Service Agreements referred to in this Offer Document;
 - (f) the material contracts referred to in this Offer Document;
 - (g) the letters of consent referred to in this Offer Document;
 - (h) the Rules of the Medinex Performance Share Plan; and
 - (i) the Rules of the Medinex Employee Share Option Scheme.

**APPENDIX A – INDEPENDENT AUDITORS’ REPORT AND
AUDITED COMBINED FINANCIAL STATEMENTS OF
MEDINEX LIMITED AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017**

**MEDINEX LIMITED
and its subsidiaries**

Independent Auditors’ Report And Audited Combined Financial Statements
For the financial years ended 31 December 2015, 2016 and 2017

**AUDITED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017**

STATEMENT BY DIRECTORS

We, Jessie Low Mui Choo and Tan Lee Meng, being two of the directors of Medinex Limited (the “Company”), do hereby state that, in the opinion of the Board of Directors,

- the accompanying combined financial statements together with notes thereon as set out on pages A-6 to A-71 are drawn up in accordance with the Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of the Company and its subsidiaries (the “Group”) as at 31 December 2015, 2016 and 2017, and of the financial performance, changes in equity and cash flows of the Group for the financial years ended on those dates; and
- at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Jessie Low Mui Choo
Director

Singapore
30 November 2018

Tan Lee Meng
Director

**INDEPENDENT AUDITORS' REPORT ON THE AUDITED COMBINED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2015, 2016 AND 2017**

30 November 2018

The Board of Directors
Medinex Limited
111 Peninsula Plaza
#23-04 North Bridge Road
Singapore 179098

Report on the audit of the combined financial statements

Opinion

We have audited the combined financial statements of Medinex Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the combined statements of financial position of the Group as at 31 December 2015, 2016 and 2017, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for each of the financial years ended 31 December 2015, 2016 and 2017, and a summary of significant accounting policies and other explanatory notes as set out on pages A-6 to A-71.

In our opinion, the accompanying combined financial statements of the Group are properly drawn up in accordance with the Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the combined financial position of the Group as at 31 December 2015, 2016 and 2017, and of the combined financial performance, combined changes in equity and combined cash flows of the Group for each of the financial years ended 31 December 2015, 2016 and 2017.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the combined financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Directors for the Combined Financial Statements

Management is responsible for the preparation of the combined financial statements that give a true and fair view in accordance with FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair combined financial statements and to maintain accountability of assets.

**INDEPENDENT AUDITORS' REPORT ON THE AUDITED COMBINED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2015, 2016 AND 2017 (Continued)**

Report on the audit of the combined financial statements (Continued)

***Responsibilities of Management and Directors for the Combined Financial Statements
(Continued)***

In preparing the combined financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT ON THE AUDITED COMBINED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2015, 2016 AND 2017 (Continued)**

Report on the audit of the combined financial statements (Continued)

Auditors' Responsibilities for the Audit of the Combined Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution and Use

This report is made solely to you as a body for the inclusion in the Offer Document to be issued in relation to the proposed initial public offering of the shares of the Company in connection with the Company's listing on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore

Leong Hon Mun Peter
Partner-in-charge

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015, 2016 AND 2017**

	Note	2015	2016	2017
		\$	\$	\$
ASSETS				
Non-current assets				
Plant and equipment	5	19,821	48,047	96,077
Intangible assets	6	—	—	2,439,594
		<u>19,821</u>	<u>48,047</u>	<u>2,535,671</u>
Current assets				
Inventories	7	—	—	452,361
Trade and other receivables	8	151,517	407,912	949,763
Prepayments		13,200	35,800	7,170
Fixed deposit	9	—	—	1,600,000
Cash and bank balances	10	277,676	413,769	1,466,874
		<u>442,393</u>	<u>857,481</u>	<u>4,476,168</u>
Total assets		<u><u>462,214</u></u>	<u><u>905,528</u></u>	<u><u>7,011,839</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital	11	20,002	30,002	5,627,237
Retained earnings		291,299	295,944	482,283
Total equity		<u>311,301</u>	<u>325,946</u>	<u>6,109,520</u>
Non-current liabilities				
Finance lease payables	12	—	—	1,947
Deferred tax liabilities	13	—	—	8,409
		<u>—</u>	<u>—</u>	<u>10,356</u>
Current liabilities				
Trade and other payables	14	128,282	125,189	813,531
Bank borrowings	15	—	419,612	—
Finance lease payables	12	—	—	23,401
Current income tax payable		22,631	34,781	55,031
		<u>150,913</u>	<u>579,582</u>	<u>891,963</u>
Total liabilities		<u>150,913</u>	<u>579,582</u>	<u>902,319</u>
Total equity and liabilities		<u><u>462,214</u></u>	<u><u>905,528</u></u>	<u><u>7,011,839</u></u>

The accompanying notes form an integral part of these financial statements.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**COMBINED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017**

	Note	2015 \$	2016 \$	2017 \$
Revenue	16	1,366,010	1,761,568	3,043,537
<i>Other items of income</i>				
Other income	17	80,999	70,268	16,850
<i>Items of expense</i>				
Changes in inventories		–	–	(40,082)
Inventories and consumables		–	–	(449,994)
Employee benefits expense	18	(621,643)	(628,311)	(1,165,168)
Depreciation and amortisation expenses	19	(18,627)	(28,824)	(29,007)
Other expenses		(296,296)	(389,533)	(372,249)
Finance costs	20	–	(10,771)	(1,396)
Profit before income tax	21	510,443	774,397	1,002,491
Income tax expense	22	(22,631)	(29,702)	(56,152)
Profit for the financial year, representing total comprehensive income for the financial year		<u>487,812</u>	<u>744,695</u>	<u>946,339</u>
Earnings per share				
– Basic and diluted (cents)	23	<u>0.47</u>	<u>0.72</u>	<u>0.91</u>

The accompanying notes form an integral part of these financial statements.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017**

	Note	Share capital \$	Retained earnings \$	Total equity \$
Balance at 1 January 2015		20,002	265,487	285,489
Profit for the financial year		–	487,812	487,812
Total comprehensive income for the financial year		–	487,812	487,812
Distributions to owners				
Dividends	24	–	(462,000)	(462,000)
Total transactions with owners		–	(462,000)	(462,000)
Balance at 31 December 2015		<u>20,002</u>	<u>291,299</u>	<u>311,301</u>
Balance at 1 January 2016		20,002	291,299	311,301
Profit for the financial year		–	744,695	744,695
Total comprehensive income for the financial year		–	744,695	744,695
Contributions by and distributions to owners				
Issue of shares	11	10,000	–	10,000
Dividends	24	–	(740,050)	(740,050)
Total transactions with owners		<u>10,000</u>	<u>(740,050)</u>	<u>(730,050)</u>
Balance at 31 December 2016		<u>30,002</u>	<u>295,944</u>	<u>325,946</u>
Balance at 1 January 2017		30,002	295,944	325,946
Profit for the financial year		–	946,339	946,339
Total comprehensive income for the financial year		–	946,339	946,339
Contributions by and distributions to owners				
Issue of shares	11	5,617,235	–	5,617,235
Adjustment pursuant to restructuring exercise	11	(20,000)	–	(20,000)
Dividends	24	–	(760,000)	(760,000)
Total transactions with owners		<u>5,597,235</u>	<u>(760,000)</u>	<u>4,837,235</u>
Balance at 31 December 2017		<u>5,627,237</u>	<u>482,283</u>	<u>6,109,520</u>

The accompanying notes form an integral part of these financial statements.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017**

	Note	2015 \$	2016 \$	2017 \$
Operating activities				
Profit before income tax		510,443	774,397	1,002,491
Adjustments for:				
Amortisation of intangible assets		—	—	933
Bad debts written-off		—	—	30,234
Depreciation of plant and equipment		18,627	28,824	28,074
Interest income		—	—	(325)
Interest expense		—	10,771	1,396
Operating cash flows before working capital changes		529,070	813,992	1,062,803
Inventories		—	—	(40,082)
Trade and other receivables		149,244	(205,422)	(53,124)
Trade and other payables		(96,688)	74,973	190,571
Prepayments		(4,551)	(22,600)	4,809
Cash generated from operations		577,075	660,943	1,164,977
Income tax paid		(18,191)	(17,552)	(36,061)
Net cash from operating activities		558,884	643,391	1,128,916
Investing activities				
Acquisition of subsidiaries under common control		—	—	(20,000)
Acquisition of subsidiary, net of cash acquired		—	—	567,539
Purchase of plant and equipment		(11,556)	(57,050)	—
Interest received		—	—	325
Net cash (used in)/from investing activities		(11,556)	(57,050)	547,864
Financing activities				
Advances from director of the Company (Note A)		—	—	58,595
Advances from former director of the Company		521,057	644,168	—
Proceeds from issuance of shares		—	10,000	2,048,000
Proceeds from term loan		—	439,000	—
Repayment to director (Note A)		—	—	(34,884)
Repayment (to)/from former director (Note A)		(645,891)	(773,207)	94,506
Repayment of term loan (Note A)		—	(19,388)	(419,612)
Repayment of finance lease (Note A)		—	—	(8,884)
Dividends paid		(462,000)	(740,050)	(760,000)
Interest paid		—	(10,771)	(1,396)
Net cash (used in)/from financing activities		(586,834)	(450,248)	976,325
Net change in cash and cash equivalents		(39,506)	136,093	2,653,105
Cash and cash equivalents at beginning of financial year		317,182	277,676	413,769
Cash and cash equivalents at end of financial year	10	277,676	413,769	3,066,874

The accompanying notes form an integral part of these financial statements.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

Note A – Reconciliation of liabilities arising from financing activities:

		◀ Non cash changes ▶		
	1 January	Cash flows	Arising from	31 December
	2017		acquisition of	2017
	\$	\$	subsidiary	\$
Amount due from/(to) director	–	(23,711)	–	(23,711)
Amount due from/(to) former director	94,506	(94,506)	–	–
Bank borrowings	419,612	(419,612)	–	–
Finance lease payable	–	(8,884)	34,232	25,348

The accompanying notes form an integral part of these financial statements.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017**

These notes form an integral part and should be read in conjunction with the combined financial statements.

These combined financial statements have been prepared for inclusion in the Offer Document of Medinex Limited (the “Company”) and its subsidiaries (the “Group”) and were authorised for issue by the Directors of the Company on 30 November 2018.

1. General corporate information

1.1 Domicile and activities

The Company is a private limited company, incorporated and domiciled in Singapore with its registered office and principal place of business at 111 North Bridge Road #23-04 Peninsula Plaza Singapore 179098. In connection with its conversion into a public company limited by shares, the Company changed its name from Medinex Pte. Ltd. to Medinex Limited on 9 November 2018. The registration number of the Company is 200900689W.

The principal activity of the Company is to provide business and management consultancy services to the medical sector.

The principal activities of the subsidiaries are set out in Note 1.3 to the combined financial statements.

1.2 Restructuring exercise

Prior to the Placement, a restructuring exercise (the “Restructuring Exercise”) was carried out which resulted in the Company becoming the holding company of the Group. The following steps were taken in the Restructuring Exercise:

(a) Acquisition of Medinex Healthcare Pte. Ltd. (“Medinex Healthcare”) and Medinex Corporate Services Pte. Ltd. (“MCS”)

On 16 May 2017, the Company acquired the entire issued and paid-up share capitals of Medinex Healthcare and MCS from Karun Letchumanan the husband of the Company’s Executive Director and Chief Executive Officer, Jessie Low, who was holding the shares on her behalf, for a consideration of \$10,000 in respect of each acquisition, at the direction of Jessie Low. As at 16 May 2017, Karun Letchumanan was the sole shareholder of the Company, and was holding the shares on Jessie Low’s behalf. The consideration payable to Karun Letchumanan was satisfied wholly in cash.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

1. General corporate information (Continued)

1.2 Restructuring exercise (Continued)

(b) Acquisition of Nex Healthcare Pte. Ltd. (“Nex”)

On 9 November 2017, the Company acquired 100% equity interest in Nex Healthcare Pte. Ltd. (“Nex”). The consideration of \$500,000 was satisfied in full by way of issuance of the Company’s shares.

Under the terms of the sale and purchase agreement, the Company and the vendors had also agreed that, in the event the proportion of the profit-after-tax for the operations of each of the Company (excluding Nex’s operations) and Nex, for the 12-month period from October 2017 to September 2018, is not 71.165% and 28.835% respectively, the Company shall allot and issue such number of new ordinary shares to the Nex Vendors to reflect the actual ratio of the 12-month profit after tax amounts, up to a maximum aggregate number of ordinary shares equivalent to 10% of the existing share capital of our Company at the point of issue.

In addition, it was agreed among that parties that post-completion of the acquisition of the issued and paid-up share capital of Nex, in the event that the Company increases its issued share capital, the shareholding proportion shall be adjusted accordingly to give effect to the foregoing.

On 3 October 2018, pursuant to the Nex Supplemental Letter, the vendors agreed that cash be paid by the Company’s shareholders to the vendors instead of the issuance of new ordinary shares by the Company to the Nex Vendors. The aggregate amount of \$121,000 was paid to the Nex Vendors.

(c) Acquisition of 50% of AccTax Management Consultancy Private Limited (“AccTax”)

The Company entered into a sale and purchase agreement, pursuant to which the Company acquired 50% equity interest in AccTax. The consideration for the acquisition amounted to \$375,000, of which was satisfied in full by cash.

Under the terms of the sale and purchase agreement, the vendor had provided the Group with a profit after tax guarantee of \$450,000 for a three (3)-year period (“Guaranteed profit”). The guarantor undertakes to pay to AccTax’s shareholders, in proportion of their respective shareholdings in AccTax, a sum based on following formula in the event if the actual aggregate profit after tax is less than guaranteed profit.

$$\frac{\text{AccTax Guaranteed Profit} - \text{Actual aggregate profit after tax}}{3} \times 5$$

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

1. General corporate information (Continued)

1.2 Restructuring exercise (Continued)

(d) Acquisition of 60% Patceljon Professional Services Pte Ltd (“Patceljon”) and Jo-L Consultus Pte. Ltd. (“Jo-L”)

On 15 June 2018, the Company entered into a sale and purchase agreement, pursuant to which the Company acquired 60% equity interest of Patceljon Professional Services Pte Ltd (“Patceljon”) and Jo-L Consultus Pte. Ltd. (“Jo-L”). The consideration for the acquisition amounted to \$993,771 and \$85,396 respectively, of which was satisfied in full by cash.

Under the terms of the sale and purchase agreement, the vendor had provided a profit guarantee that the aggregate profit after tax of Patceljon and Jo-L shall be at least \$360,000 for each of the financial years ending 31 December 2018 and 31 December 2019 (“Guaranteed Profit”). To the extent that the actual audited aggregate profit after tax for the respective financial year is less than 90% of the Guaranteed Profit, the guarantor undertakes to pay to Patceljon and Jo-L’s shareholders, in proportion of their respective shareholdings, the shortfall between the actual aggregate profit after tax and the Guaranteed Profit.

(e) Acquisition of the remaining share capital of AccTax, Patceljon and Jo-L

On 5 November 2018, the Company entered into the Restructuring Agreement to acquire the remaining:

- (i) 50% equity interest in AccTax, for a consideration of \$750,000; and
- (ii) 40% equity interest in Patceljon and Jo-L for an aggregate consideration of \$1,440,000,

pursuant to the acquisitions, AccTax, Patceljon and Jo-L became wholly-owned subsidiaries of the Company.

The consideration was satisfied by way of issuance of 1,566 ordinary shares at price of approximately \$1,398 each to vendors.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

1. General corporate information (Continued)

1.3 Details of subsidiaries

As at the date of this report after the Restructuring Exercise, the Company has the following subsidiaries:

Name of company	Principal place of business	Principal activities	Effective equity interest		
			2015 %	2016 %	2017 %
Medinex Corporate Services Pte. Ltd. (formerly known as Ark Corporate Solutions Pte. Ltd.)	Singapore	Business support services	100	100	100
Medinex Healthcare Pte. Ltd. (formerly known as JK Bizline Pte. Ltd.)	Singapore	Medical support services	100	100	100
Nex Healthcare Pte. Ltd.	Singapore	Medical support services	—	—	100
AccTax Management Consultancy Private Limited	Singapore	Business support services	—	—	—(*)
Patceljon Professional Services Pte Ltd	Singapore	Business support services	—	—	—(*)
Jo-L Consultus Pte. Ltd.	Singapore	Business support services	—	—	—(*)

(*) These entities became subsidiaries after 31 December 2017

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

1. General corporate information (Continued)

1.4 Acquisition of Nex

As disclosed in Note 1.2(b) to the financial statements, the Company acquired 100% equity interest in Nex on 9 November 2017. The fair values of the identifiable assets and liabilities of that subsidiary as at the date of acquisition were:

	\$
Plant and equipment	76,104
Intangible assets	50,405
Trade and other receivables	641,719
Prepayments	6,179
Inventories	412,279
Cash and bank balances	567,539
Total assets	<u>1,754,225</u>
Trade and other payables	(532,312)
Finance lease payables	(34,232)
Deferred tax liabilities	(8,568)
Total liabilities	<u>(575,112)</u>
Net identifiable assets at fair value	1,179,113
Fair value of consideration transferred	<u>(3,569,235)</u>
Goodwill arising from acquisition	<u>(2,390,122)</u>

From the date of acquisition, Nex has contributed \$886,213 and \$39,854 to the Group's revenue and profit for the financial year ended 31 December 2017 respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue for the financial year would have been \$4,220,511 and profit for the financial year ended 31 December 2017 would have been \$1,114,004.

The effect of acquisition of subsidiary on the combined statement of cash flows was as follows:

	2017
	\$
Total purchase consideration	3,569,235
Less: Non-cash consideration	(3,569,235)
Less: Cash and cash equivalents of subsidiary acquired	<u>(567,539)</u>
Net cash inflow on acquisition	<u>(567,539)</u>

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

1. General corporate information (Continued)

1.4 Acquisition of Nex (Continued)

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$641,719 which approximates fair value. It is expected that full contractual amount of receivables can be collected.

Goodwill of \$2,390,122 arising from the acquisition is attributable to expected synergies that can be achieved in combining the operations of this subsidiary with the Group such as expanding the Group's presence in Singapore and tapping on the subsidiary's workforce expertise. These intangibles identified are subsumed into goodwill as they do not meet the recognition criteria for identifiable intangible assets.

Transaction costs related to the acquisition of subsidiary amounting to \$2,228 have been recognised in the "other expenses" line item in the Group's profit or loss for the financial year ended 31 December 2017.

2. Basis of preparation of combined financial statements

These combined financial statements of the Group are a combination or aggregation of the financial statements of the Company and its subsidiaries which are under common control. The combined financial statements of the Group for the financial years ended 31 December 2015, 2016 and 2017 have been prepared in a manner similar to the "pooling-of-interest" method. Such manner of presentation reflects the economic substance of the combining companies as a single economic enterprise, although the legal parent-subsidiary relationship was not established until after the Company formally acquired the share capital of the subsidiaries during the financial year ended 31 December 2017.

The audited combined financial statements of the Group for the financial years ended 31 December 2015, 2016 and 2017 have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and on the historical cost except as disclosed in the accounting policies in Note 3 to the combined financial statements.

For the purpose of inclusion in the combined financial statements, BDO LLP, Singapore audited the financial statements of all the entities within the Group for the financial years ended 31 December 2015, 2016 and 2017.

Items included in the combined financial statements of the Company are measured using the currency of the primary economic environment in which the entities operate ("functional currency"). The combined financial statements are presented in Singapore dollar which is the functional currency and presentation currency of the Company.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

2. Basis of preparation of combined financial statements (Continued)

The preparation of combined financial statements in conformity with FRS requires the management to exercise judgement in the process of applying the Group's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting periods, and the reported amounts of revenue and expenses throughout the financial years. Although these estimates are based on management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the combined financial statements are disclosed in Note 4 to the combined financial statements.

3. Summary of significant accounting policies

3.1 Changes in accounting policies

During the financial years ended 31 December 2015, 2016 and 2017, the Group adopted the new or revised FRS that are relevant to its operations and effective for each financial year respectively. Changes to the Group's accounting policies have been made as required in accordance with the relevant transitional provisions in the respective FRS. The adoption of the new or revised FRS including related Interpretations of FRS ("INT FRS") did not result in any substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the respective financial years, except as detailed below.

FRS 7 (Amendments) Disclosure Initiative

The amendments require additional disclosures to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group adopted these amendments on 1 January 2017 and the additional disclosures have been included in the combined statement of cash flows.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.1 Changes in accounting policies (Continued)

Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and Interpretations of SFRS(I) (“INT SFRS(I)”) issued but not yet effective

Convergence with International Financial Reporting Standards (“IFRSs”)

On 29 December 2017, Accounting Standards Council Singapore issued SFRS(I)s, Singapore’s equivalent of the IFRSs. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore are required to apply SFRS(I)s for annual periods beginning on or after 1 January 2018.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of International Financial Reporting Standards*. In addition to the adoption of the new framework, the following new SFRS(I)s, amendments to and INT SFRS(I) are effective from the same date.

- SFRS(I) 15 *Revenue from Contracts with Customers* and Amendments to SFRS(I) 15 *Clarifications to SFRS(I) 15*;
- SFRS(I) 9 *Financial Instruments*;
- Classification and Measurement of Share-based Payment Transactions (Amendments to SFRS(I) 2);
- *Transfers of Investment Property* (Amendments to SFRS(I) 1-40);
- *Deletion of short-term exemptions for first-time adopters* (Amendments to SFRS(I) 1);
- *Measuring an Associate or Joint Venture at Fair Value* (Amendments to SFRS(I) 1-28);
- Applying SFRS(I) 9 *Financial Instruments* with SFRS(I) 4 *Insurance Contracts* (Amendments to SFRS(I) 4); and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements, except for SFRS(I) 9 and SFRS(I) 15 as disclosed below.

**MEDINEX LIMITED
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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.1 Changes in accounting policies (Continued)

Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and Interpretations of SFRS(I) (“INT SFRS(I)”) issued but not yet effective (Continued)

Convergence with IFRSs (Continued)

SFRS(I) 9 *Financial Instruments*

Summary of the requirements

SFRS(I) 9 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

SFRS(I) 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.

Potential impact on the financial statements

During the financial year, the Group completed its initial assessment of the impact on the Group’s financial statements.

Overall, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9.

Financial assets and liabilities currently accounted for at amortised cost will continue to be accounted for using amortised cost model under SFRS(I) 9.

The new impairment requirements are expected to result in changes to and likely increase in impairment loss allowance for trade and other receivables, due to earlier recognition of credit losses. The Group expects to adopt the simplified model for its trade receivables and will record an allowance for lifetime expected losses from initial recognition. For other receivables, the Group will initially provide for 12 months expected losses under the three-stage model.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.1 Changes in accounting policies (Continued)

Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and Interpretations of SFRS(I) (“INT SFRS(I)”) issued but not yet effective (Continued)

Convergence with IFRSs (Continued)

SFRS(I) 9 *Financial Instruments (Continued)*

Potential impact on the financial statements (Continued)

Under the new impairment model, the Group estimates that the impairment loss allowance on trade receivables and other receivables will not be significant when the new standard is adopted. The Group is currently finalising the policies and procedures in determining how to estimate the expected credit losses and the sources of forward-looking data, and evaluating the tax implications arising from the above change in impairment model.

The Group plans to adopt SFRS(I) 9 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions and intends to elect not to restate comparatives for the previous financial year.

The Group will include additional financial statements disclosures in the financial year when SFRS(I) 9 is adopted.

The expected impact on adoption of SFRS(I) 9 are described in Note 29 to the combined financial statements. The information below reflects the Group’s expectation of the implications arising from changes in the accounting treatment.

SFRS(I) 15 and Clarifications to SFRS(I) 15 *Revenue from Contracts with Customers*

Summary of the requirements

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also establishes principles to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. In addition, it also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, SFRS(I) 15 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.1 Changes in accounting policies (Continued)

Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and Interpretations of SFRS(I) (“INT SFRS(I)”) issued but not yet effective (Continued)

Convergence with IFRSs (Continued)

SFRS(I) 15 and Clarifications to SFRS(I) 15 *Revenue from Contracts with Customers* (Continued)

Summary of the requirements (Continued)

SFRS(I) 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

Clarifications to SFRS(I) 15 *Revenue Contracts with Customers* clarifies how to:

- (i) Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- (ii) Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- (iii) Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, SFRS(I) 15, i.e. on 1 January 2018.

Potential impact on the financial statements

During the financial year, the Group completed its initial assessment of the impact on its financial statements.

The Group does not expect significant changes based on its initial assessment of revenue recognition as disclosed in Note 3.13 to the combined financial statements.

The Group plans to adopt the standard in the financial year beginning on 1 January 2018 with full retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

The expected impact on adoption of SFRS(I) 15 are described in Note 29 to the combined financial statements. The information below reflects the Group’s expectation of the implications arising from changes in the accounting treatment.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.1 Changes in accounting policies (Continued)

Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and Interpretations of SFRS(I) (“INT SFRS(I)”) issued but not yet effective (Continued)

Applicable to financial statements for the financial year ending 31 December 2019 and thereafter

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning on 1 January 2019, and have not been early adopted:

- SFRS(I) 1-19 *Amendments to SFRS(I) 1-19: Plan Amendment, Curtailment or Settlement*
- SFRS(I) 9: *Prepayment Features with Negative Compensation*
- SFRS(I) 1-28: *Long-term Interests in Associates and Joint Ventures*
- SFRS(I) 16 *Leases*
- SFRS(I) 17 *Insurance Contracts*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Annual improvements to SFRS(I) 2015-2017 cycle

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

Management anticipates that the adoption of the above new SFRS(I), amendments to and interpretations of SFRS(I) will not have a material impact on the financial statements of the Group in the period of their initial adoption, except as disclosed below.

SFRS(I) 16 *Leases*

Summary of the requirements

SFRS(I) 16 eliminates the lessee’s classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and financial liabilities to pay rentals with a term of more than 12 months, unless the underlying asset is of a low value.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.1 Changes in accounting policies (Continued)

Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and Interpretations of SFRS(I) (“INT SFRS(I)”) issued but not yet effective (Continued)

Applicable to financial statements for the financial year ending 31 December 2019 and thereafter (Continued)

SFRS(I) 16 *Leases* (Continued)

Summary of the requirements (Continued)

SFRS(I) 16 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

When effective, SFRS(I) 16 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied.

Potential impact on the financial statements

On initial adoption of SFRS(I) 16, there may be a potentially significant impact on the accounting treatment for leases, which the Group as lessee currently accounts for as operating leases. On adoption of SFRS(I) 16, the Group will be required to capitalise rented office premises and other operating facilities on the combined statement of financial position by recognising them as ‘right-of-use’ assets and their corresponding lease liabilities for the present value of future lease payments. The Group plans to adopt the standard in the financial year beginning on 1 January 2019 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in the financial statements for that financial year.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.2 Basis of consolidation

The combined financial statements comprise the financial statements of the Company and its subsidiaries made up to end of the financial years ended 31 December 2015, 2016 and 2017. The financial statements of the subsidiaries are prepared for the same reporting date as that of the parent company.

Accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group to ensure consistency.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which that control ceases. In preparing the combined financial statements, inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment loss of the asset transferred.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the combined statements of comprehensive income, financial position and changes in equity.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of subsidiaries, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.2 Basis of consolidation (Continued)

The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

3.3 Business combinations

The acquisition of subsidiary, Nex Healthcare Pte. Ltd., is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration also includes the fair value of any contingent consideration.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment*; and

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.3 Business combinations (Continued)

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Acquisition under common control

Business combination of Medinex Healthcare Pte. Ltd. and Medinex Corporate Services Pte. Ltd. which were arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or recognised any new assets or liabilities, including no goodwill is recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the cash paid for the acquisition and share capital of acquiree is recognised directly to equity as merger reserve.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.4 Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure relating to the plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

Low value assets items which cost less than \$5,000 are recognised as an expense directly in profit or loss in the financial year of acquisition.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the plant and equipment over their estimated useful life as follows:

	Years
Computer	3
Furniture and fittings	3
Office equipment	3
Renovation	5
Motor vehicle	8

The residual values, estimated useful life and depreciation method are reviewed at each financial year-end to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.5 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful life of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite life are amortised on a straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in profit or loss.

Intangible assets with indefinite useful life or not yet available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either individual or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the changes in useful life from indefinite to finite is made on prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.5 Intangible assets (Continued)

Goodwill (Continued)

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Customer listing

Customer listing was acquired through business combinations, and measured at fair value as at the date of acquisition. Subsequently, customer listing is carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in profit or loss on a straight-line basis over 9 years.

Customer listing is assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful life and amortisation method are reviewed at the end of each reporting period to ensure that the period of amortisation and amortisation method are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

3.6 Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

3.7 Impairment of non-financial assets excluding goodwill

The carrying amounts of non-financial assets excluding goodwill are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to other comprehensive income, in which case it is charged to other comprehensive income up to the amount of any previous revaluation.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.7 Impairment of non-financial assets excluding goodwill (Continued)

The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable willing parties less costs of disposal. Value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment loss recognised in prior periods is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment loss are recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment losses recognised in profit or loss in prior periods is treated as a revaluation increase. After such a reversal, the depreciation or amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average basis and includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which inventories can be realised in the ordinary course of business, less estimated costs to be incurred to make the sale. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

3.9 Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose of which the assets were acquired. The management determines the classification of the financial assets at initial recognition and re-evaluates this designation at the end of the reporting period, where allowed and appropriate.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified within "trade and other receivables", "fixed deposit" and "cash and bank balances" on the combined statements of financial position.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.9 Financial assets (Continued)

Recognition and derecognition

Financial assets are recognised on the combined statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount and the net consideration proceeds is recognised in profit or loss.

Initial and subsequent measurement

Financial assets are initially recognised at fair value plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less impairment loss, if any.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period to the net carrying amount of the financial instrument. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Loans and receivables

An allowance for impairment loss of loans and receivables is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.9 Financial assets (Continued)

Impairment (Continued)

(i) Loans and receivables (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash and deposits with banks and financial institutions. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.11 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

3.12 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or other financial liabilities.

Financial liabilities are classified as at FVTPL if the financial liability is either held for trading or it is designated as such upon initial recognition. The Group has not designated any financial liabilities as FVTPL upon initial recognition.

The accounting policies adopted for other financial liabilities are set out below:

(i) Trade and other payables

Trade and other payables, excluding deferred revenue and service fee received in advance, are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction cost, for goods received or services rendered, whether or not billed to the Group, and are subsequently measured at amortised cost using the effective interest method.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.12 Financial liabilities (Continued)

(ii) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within 12 months after the end of the reporting period are presented as current borrowings even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the end of the reporting period are presented as non-current borrowings in the statements of financial position.

Recognition and derecognition

Financial liabilities are recognised on the combined statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

When an existing liability is replaced by another form from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of business. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and the revenue can be measured reliably. Revenue is presented net of rebates, discounts and sales related taxes.

Revenue from rendering of services in respect of accounting support services, tax administration, payroll support services and business and management consultancy services are recognised when the services have been performed and completed.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.13 Revenue recognition (Continued)

Revenue from sale of goods is recognised when goods are delivered to the customer and the significant risks and rewards of ownership has been transferred to the customer, recovery of the consideration is probable and can be measured reliably.

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3.14 Grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented in profit or loss under "Other income". Grants related to an asset may be presented in the combined statements of financial position by deducting the grant in arriving at the carrying amount of the asset.

3.15 Leases

When the Group is the lessee of operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

When the Group as lessee of finance leases

Leases in which the Group assumes substantially the risks and rewards of ownership are classified as finance leases.

Upon initial recognition, plant and equipment acquired through finance leases are capitalised at the lower of their fair value and the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.15 Leases (Continued)

When the Group as lessee of finance leases (Continued)

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to achieve a constant periodic rate of interest on the remaining balance of the finance lease liability. Finance charge is recognised in profit or loss.

3.16 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised leave as a result of services rendered by employees up to the end of the reporting period.

3.17 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as expenses in profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

3.18 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity, or in other comprehensive income.

Current income tax expense is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous financial years. Taxable income differs from profit reported as profit or loss because it excluded items of income or expenses that are taxable or deductible in other years and it further excludes items of income or expenses that are not taxable or tax deductible.

Deferred tax is provided, using the balance sheet liability method, for temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured using the tax rates expected to be applied to the temporary differences when they are realised or settled, based on tax rates enacted or substantively enacted at the end of the reporting period.

**MEDINEX LIMITED
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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

3. Summary of significant accounting policies (Continued)

3.18 Income tax (Continued)

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax authority and where there is intention to settle the current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and its probable that the temporary difference will not reverse in the foreseeable future.

3.19 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by shareholders.

3.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group) and whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

4. Critical accounting judgements and key sources of estimation uncertainty

4.1 Critical judgements made in applying the accounting policies

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the combined financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

(i) *Goodwill*

The management determines whether goodwill is impairment at least on annual basis. This requires an estimation of the recoverable amounts of the cash-generating units to which the goodwill is allocated. Recoverable amount of the cash-generating units is the higher of its fair value less costs to sell or its value in use. The value in use calculations are based on a discounted cash flow model. The recoverable amount is the most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for the extrapolation purposes. The carrying amount of the Group's goodwill as at 31 December 2015, 2016 and 2017 were \$Nil, \$Nil, and \$2,390,122 respectively.

(ii) *Allowance for impairment loss on doubtful receivables*

The management establishes allowance for doubtful receivables when it believes that payment of amounts owed is unlikely to occur. In establishing the allowance, the management considers the historical experience and the subsequent inability of the customers to make required payments. If the financial conditions of these customers were to deteriorate, resulting in impairment of the ability to make the required payments, additional allowance may be required. The carrying amounts of trade and other receivables of the Group as at 31 December 2015, 2016 and 2017 were \$151,517, \$407,912 and \$949,763 respectively.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

5. Plant and equipment

	Computer	Furniture and fittings	Office equipment	Total
	\$	\$	\$	\$
Cost				
Balance at 1 January 2015	33,064	16,258	—	49,322
Additions	—	—	11,556	11,556
Balance at 31 December 2015	<u>33,064</u>	<u>16,258</u>	<u>11,556</u>	<u>60,878</u>
Accumulated depreciation				
Balance at 1 January 2015	11,592	10,838	—	22,430
Depreciation charged	9,355	5,420	3,852	18,627
Balance at 31 December 2015	<u>20,947</u>	<u>16,258</u>	<u>3,852</u>	<u>41,057</u>
Net carrying amount				
Balance at 31 December 2015	<u>12,117</u>	<u>—</u>	<u>7,704</u>	<u>19,821</u>

	Computer	Furniture and fittings	Office equipment	Renovation	Total
	\$	\$	\$	\$	\$
Cost					
Balance at 1 January 2016	33,064	16,258	11,556	—	60,878
Additions	18,013	—	5,371	33,666	57,050
Balance at 31 December 2016	<u>51,077</u>	<u>16,258</u>	<u>16,927</u>	<u>33,666</u>	<u>117,928</u>
Accumulated depreciation					
Balance at 1 January 2016	20,947	16,258	3,852	—	41,057
Depreciation charged	11,960	—	5,642	11,222	28,824
Balance at 31 December 2016	<u>32,907</u>	<u>16,258</u>	<u>9,494</u>	<u>11,222</u>	<u>69,881</u>
Net carrying amount					
Balance at 31 December 2016	<u>18,170</u>	<u>—</u>	<u>7,433</u>	<u>22,444</u>	<u>48,047</u>

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

5. Plant and equipment (Continued)

	Computer	Furniture and fittings	Office equipment	Renovation	Motor vehicle	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance at 1 January 2017	51,077	16,258	16,927	33,666	–	117,928
Arising from acquisition of subsidiary	8,611	4,014	3,940	–	59,539	76,104
Written-off	(15,000)	(16,258)	–	–	–	(31,258)
Balance at 31 December 2017	<u>44,688</u>	<u>4,014</u>	<u>20,867</u>	<u>33,666</u>	<u>59,539</u>	<u>162,774</u>
Accumulated depreciation						
Balance at 1 January 2017	32,907	16,258	9,494	11,222	–	69,881
Depreciation charged	9,651	141	5,780	11,222	1,280	28,074
Written-off	(15,000)	(16,258)	–	–	–	(31,258)
Balance at 31 December 2017	<u>27,558</u>	<u>141</u>	<u>15,274</u>	<u>22,444</u>	<u>1,280</u>	<u>66,697</u>
Net carrying amount						
Balance at 31 December 2017	<u>17,130</u>	<u>3,873</u>	<u>5,593</u>	<u>11,222</u>	<u>58,259</u>	<u>96,077</u>

6. Intangible assets

	Customer listing	Goodwill	Total
	\$	\$	\$
Cost			
1 January 2015 and 31 December 2015	<u>–</u>	<u>–</u>	<u>–</u>
1 January 2016 and 31 December 2016	<u>–</u>	<u>–</u>	<u>–</u>
Balance at 1 January 2017	–	–	–
Arising from acquisition of subsidiary	<u>50,405</u>	<u>2,390,122</u>	<u>2,440,527</u>
Balance at 31 December 2017	<u>50,405</u>	<u>2,390,122</u>	<u>2,440,527</u>
Accumulated amortisation			
1 January 2015 and 31 December 2015	<u>–</u>	<u>–</u>	<u>–</u>
1 January 2016 and 31 December 2016	<u>–</u>	<u>–</u>	<u>–</u>

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
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6. Intangible assets (Continued)

	Customer listing \$	Goodwill \$	Total \$
Accumulated amortisation (Continued)			
Balance at 1 January 2017	–	–	–
Amortisation for the financial year	933	–	933
Balance at 31 December 2017	933	–	933
Net carrying amount			
Balance at 31 December 2015	–	–	–
Balance at 31 December 2016	–	–	–
Balance at 31 December 2017	49,472	2,390,122	2,439,594
Remaining useful life at end of financial year	8.8 years	Indefinite	

Goodwill arising on consolidation relates to the acquisition of a subsidiary, Nex Healthcare Pte. Ltd.

Amortisation expense was included in “Depreciation and amortisation expenses” line item of profit or loss.

Impairment test of goodwill and customer listing

Goodwill and customer listing with finite life arising from the business combination were related to the medical support and pharmaceutical services segment, which is an individual cash-generating unit (“CGU”).

As at 31 December 2017, the recoverable amount of the CGU has been determined based on value-in-use calculations using management-approved discounted cash flow projections covering 9 years. Management has assessed 9 years cash flows for the financial forecast of the CGU is appropriate considering the management’s plan for its business plan in the near future. The revenue growth rates are based on management’s best estimate, average gross margin are based on past performance and discount rates using pre-tax rates that reflect current market assessment of the time value of money and the risks specific to the CGUs.

Key assumptions used for value-in-use calculations:

		Revenue growth rate 2017 %	Pre-tax discount rate 2017 %
Nex Healthcare Pte. Ltd.	2018 to 2026	5%	13.9%

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6. Intangible assets (Continued)

Impairment test of goodwill and customer listing (Continued)

Revenue growth rate – The forecasted growth rates are based on management's expectations for each CGU from historical trends as well as average growth rates of the industry.

Pre-tax discount rate – Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

With regards to the assessment of value-in-use for goodwill, management believes that no reasonably possible changes in any key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

As at 31 December 2017, the recoverable amount of the CGU was determined to be higher than its carrying amount and thus, no impairment loss recognised.

7. Inventories

	2015	2016	2017
	\$	\$	\$
Medical and pharmaceutical products for resale	–	–	452,361

8. Trade and other receivables

	2015	2016	2017
	\$	\$	\$
Trade receivables			
– third parties	136,440	247,085	743,768
– corporate shareholder	–	–	13,391
	136,440	247,085	757,159
Other receivables			
– third parties	–	–	145,234
– related parties	13,627	1,410	–
Due from former director of the Company	–	158,217	–
Deposits	1,450	1,200	47,370
	151,517	407,912	949,763

Trade receivables are generally ranging from 30 to 90 days.

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8. Trade and other receivables (Continued)

The non-trade amounts due from former director of the Company and related parties included expenses paid on behalf for related parties, which are unsecured, non-interest bearing and repayable on demand.

The currency profile of trade and other receivables as at the end of the respective reporting periods is Singapore dollar.

9. Fixed deposit

Fixed deposit is placed for a period of 6 months and bear an effective interest rate of 1.3% per annum for the financial year ended 31 December 2017.

The currency profile of fixed deposit as at the end of the respective reporting periods is Singapore dollar.

10. Cash and bank balances

For the purpose of the combined statement of cash flows, cash and cash equivalents comprise the following amounts as at the end of the reporting period:

	2015	2016	2017
	\$	\$	\$
Fixed deposit with a bank	–	–	1,600,000
Cash and bank balances	277,676	413,769	1,466,874
Cash and cash equivalents on combined statement of cash flows	277,676	413,769	3,066,874

The currency profile of cash and bank balances as at the end of the respective reporting periods is Singapore dollar.

11. Share capital

	2015	2016	2017
	\$	\$	\$
Issued and fully-paid ordinary share capital of:			
– Medinex Limited	2	10,002	5,627,237
– Medinex Healthcare Pte. Ltd.	10,000	10,000	–
– Medinex Corporate Services Pte. Ltd.	10,000	10,000	–
	20,002	30,002	5,627,237

For the purpose of these combined financial statements, the share capital as at 31 December 2015 and 31 December 2016 represents the issued and paid up capital of the Company and the aggregation of the Group's interest in the issued and paid up capital of all subsidiaries under common control.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
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11. Share capital (Continued)

On 8 September 2016, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 10,000 new ordinary shares at an issue price of \$1 each for cash consideration of \$10,000.

Movements in the share capital of Medinex Limited during the financial year ended 31 December 2017 were as follows:

	2017	
	Number of ordinary shares	\$
Issued and fully-paid:		
At 1 January 2017	10,002	10,002
Issuance of shares pursuant to acquisition of subsidiary (Note 1.4)	4,053	3,569,235
Issuance of shares	2,985	2,048,000
At 31 December 2017	<u>17,040</u>	<u>5,627,237</u>

On 16 May 2017, the Company acquired 100% equity interests in Medinex Healthcare Pte. Ltd. and Medinex Corporate Services Pte. Ltd. for a total cash consideration of \$20,000 due to restructuring exercise as disclosed in Note 1.2 to the combined financial statements. This is reflected as adjustment pursuant to restructuring exercise.

On 9 November 2017, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 4,053 new ordinary shares at an approximate issue price of \$881 per share for a total consideration of approximately \$3,569,000 as a payment to an acquisition of Nex Healthcare Pte. Ltd. as disclosed in Note 1.2(b) to the combined financial statements.

On 9 November 2017, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 597 new ordinary shares at an approximate issue price of \$80 per share for cash consideration of \$48,000.

On 30 November 2017, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 2,388 new ordinary shares at an approximate issue price of \$838 per share for cash consideration of \$2,000,000.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

**MEDINEX LIMITED
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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
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12. Finance lease payables

	Minimum lease payments \$	Future finance charges \$	Present value of minimum lease payments \$
1 January 2015 and 31 December 2015	<u>–</u>	<u>–</u>	<u>–</u>
1 January 2016 and 31 December 2016	<u>–</u>	<u>–</u>	<u>–</u>
2017			
Current liabilities			
Not later than one financial year	25,500	(2,099)	23,401
Non-current liabilities			
Later than one financial year but not later than five financial years	<u>2,122</u>	<u>(175)</u>	<u>1,947</u>
	<u>27,622</u>	<u>(2,274)</u>	<u>25,348</u>

The finance lease term is 3 years.

The effective interest rate charged for the finance lease obligations range 5.66% per annum. The finance leases are secured on the plant and equipment purchased under finance lease arrangements arising from acquisition of subsidiary.

As at the end of the respective reporting periods, the fair values of the Group's finance lease payables approximate their carrying amounts. All finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The currency profile of finance lease payables as at the end of the reporting period is Singapore dollar.

13. Deferred tax liabilities

	2015 \$	2016 \$	2017 \$
Balance at beginning of financial year	–	–	–
Arising from acquisition of subsidiary	–	–	8,568
Credited to profit or loss	<u>–</u>	<u>–</u>	<u>(159)</u>
Balance at end of financial year	<u>–</u>	<u>–</u>	<u>8,409</u>

Deferred tax liabilities are attributable to temporary differences arising from accelerated tax depreciation computed at Singapore's income tax rate of 17%.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
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14. Trade and other payables

	2015 \$	2016 \$	2017 \$
Trade payables			
– third parties	–	–	445,367
Other payables			
– third parties	–	30,510	60,676
– related parties	47,841	702	–
Due to director of the Company	–	–	23,711
Due to former director of the Company	34,533	63,711	–
Goods and services tax payable, net	–	–	48,248
Accrued expenses	33,848	15,306	144,972
Deferred revenue	10,480	14,960	36,504
Service fee received in advance	1,580	–	54,053
	<u>128,282</u>	<u>125,189</u>	<u>813,531</u>

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 60 days' credit terms.

The non-trade amounts due to related parties and directors of the Company are unsecured, non-interest bearing and repayable on demand.

The currency profile of trade and other payables as at the end of the respective reporting periods is Singapore dollar.

15. Bank borrowings

	2015 \$	2016 \$	2017 \$
Term loan			
– portion of bank loan due for repayment within one year which are subject to a repayment on demand clause	–	76,550	–
– portion of bank loan due for repayment after one year which are subject to a repayment on demand clause	–	343,062	–
	<u>–</u>	<u>419,612</u>	<u>–</u>

The term loan is repayable over 59 monthly instalments comprising principal and interest. The effective interest rate on the term loan is at 6.50% per annum. The term loan was secured by personal guarantee for \$444,000 by a former director of the Company.

The term loan due for repayment after one year which is classified as current liabilities that is subject to a repayment on demand clause is not expected to be settled within one year.

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15. Bank borrowings (Continued)

The term loan was fully repaid during the financial year ended 31 December 2017.

The currency profile of the bank borrowings as at the end of the respective reporting periods is Singapore dollar.

16. Revenue

	2015	2016	2017
	\$	\$	\$
Service fee	1,366,010	1,761,568	2,375,444
Sale of medical and pharmaceutical products	—	—	668,093
	<u>1,366,010</u>	<u>1,761,568</u>	<u>3,043,537</u>

17. Other income

	2015	2016	2017
	\$	\$	\$
Rental income	15,387	9,750	—
Government grants	61,533	60,514	14,108
Interest income	—	—	325
Others	4,079	4	2,417
	<u>80,999</u>	<u>70,268</u>	<u>16,850</u>

18. Employee benefits expense

	2015	2016	2017
	\$	\$	\$
Director's fee	—	—	3,500
Salaries, bonuses and other staff benefits	537,569	543,232	1,046,806
Contributions to defined contribution plans	84,074	85,079	114,862
	<u>621,643</u>	<u>628,311</u>	<u>1,165,168</u>

Included in the employee benefits expense were the remuneration of Directors of the Company as disclosed in Note 26 to the combined financial statements.

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19. Depreciation and amortisation expenses

	2015	2016	2017
	\$	\$	\$
Depreciation of plant and equipment	18,627	28,824	28,074
Amortisation of intangible assets	—	—	933
	<u>18,627</u>	<u>28,824</u>	<u>29,007</u>

20. Finance costs

	2015	2016	2017
	\$	\$	\$
Term loan interest	—	10,771	—
Finance lease interest	—	—	1,396
	<u>—</u>	<u>10,771</u>	<u>1,396</u>

21. Profit before income tax

	2015	2016	2017
	\$	\$	\$
Bad debts written off	—	—	30,234
Entertainment	726	35,615	15,582
Professional fees	120,381	150,200	59,337
Operating lease expenses			
– rental of office	101,200	140,800	153,965
Recruitment expenses	26,411	31,128	37,617
Small value assets	13,120	1,841	4,490
Telephone and postages	<u>15,863</u>	<u>11,959</u>	<u>27,253</u>

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22. Income tax expense

	2015	2016	2017
	\$	\$	\$
Current income tax			
– current financial year	22,631	29,702	56,311
Deferred tax			
– current financial year	–	–	(159)
	<u>22,631</u>	<u>29,702</u>	<u>56,152</u>

Reconciliation of effective income tax rate

	2015	2016	2017
	\$	\$	\$
Profit before income tax	<u>510,443</u>	<u>774,397</u>	<u>1,002,491</u>
Income tax calculated at Singapore's statutory income tax rate of 17%, 17%, and 17% respectively	86,774	131,648	170,423
Tax effect of income not subject to income tax	(12,944)	(9,597)	(34,000)
Tax effect of non-deductible expenses for income tax purposes	4,861	2,451	39,240
Tax effect of enhanced deduction/allowance	(921)	(18,132)	(6,927)
Tax effect of tax exempt income	(34,568)	(50,534)	(75,636)
Tax rebate	(20,442)	(28,343)	(34,204)
Others	(129)	2,209	(2,744)
	<u>22,631</u>	<u>29,702</u>	<u>56,152</u>

23. Earnings per share

The calculation for earning per share is based on:

	2015	2016	2017
Profit attributable to ordinary shareholders (\$)	<u>487,812</u>	<u>744,695</u>	<u>946,339</u>
Weighted average number of ordinary shares in issue during the financial year applicable to earnings per share	<u>104,007,540</u>	<u>104,007,540</u>	<u>104,007,540</u>
Earnings per share (in cents)			
– Basic and diluted	<u>0.47</u>	<u>0.72</u>	<u>0.91</u>

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23. Earnings per share (Continued)

The calculations of basic earnings per share for the relevant periods are based on profit attributable to ordinary shareholders for the financial years ended 31 December 2015, 2016 and 2017 divided by the pre-placement number of ordinary shares as these reflects the weighted average number of ordinary shares in relevant periods adjusted for the shares issued in the restructuring exercise and share spilt.

The diluted earnings per share for the relevant periods are same as the basic earnings per share as there were no dilutive potential ordinary shares for the relevant periods.

24. Dividends

	2015 \$	2016 \$	2017 \$
Medinex Limited paid the following dividends:			
Tax exempt interim dividend of approximately \$120,000, \$15 and \$20 per ordinary share in respect of financial years ended 31 December 2015, 2016 and 2017	240,000	150,000	200,000
Medinex Corporate Services Pte. Ltd. paid the following dividends:			
Tax exempt interim dividend of approximately \$12, \$15 and \$41 per ordinary share in respect of financial years ended 31 December 2015, 2016 and 2017	122,000	150,000	410,000
Medinex Healthcare Pte. Ltd. paid the following dividends:			
Tax exempt interim dividend of approximately \$10, \$44 and \$35 per ordinary share in respect of financial years ended 31 December 2015, 2016 and 2017	100,000	440,050	150,000
	<u>462,000</u>	<u>740,050</u>	<u>760,000</u>

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

25. Operating lease commitments

The Group as lessee

The Group leases office under non-cancellable operating leases. The operating lease commitments are based on existing rental rates. The leases have lease term range from 1 to 9 years and rentals are fixed during the lease term.

As at the end of the respective reporting periods, the future minimum lease payable under non-cancellable operating leases contracted for but not recognised as liabilities were as follows:

	2015	2016	2017
	\$	\$	\$
Within one financial year	79,600	128,400	184,484
After one financial year but within five financial years	—	60,000	312,079
More than five financial years	—	—	220,000
	<u>79,600</u>	<u>188,400</u>	<u>716,563</u>

26. Significant related party transactions

For the purpose of these combined financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the information disclosed elsewhere in the combined financial statements, the following were significant related party transactions at rates and terms agreed between the Group and its related parties during the financial years ended 31 December 2015, 2016 and 2017:

	2015	2016	2017
	\$	\$	\$
With corporate shareholder			
Sales of medical and pharmaceutical products	<u>—</u>	<u>—</u>	<u>14,398</u>
With controlling shareholders of corporate shareholder			
Service rendered fee	<u>—</u>	<u>—</u>	<u>36,590</u>

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26. Significant related party transactions (Continued)

	2015	2016	2017
	\$	\$	\$
With related parties			
Consultancy fee	120,000	50,000	–
Collection on behalf for	216,113	3,064	14,758
Service rendered fee	5,401	858	5,530
Management fee income	486,000	411,000	127,500
HR outsource expense	32,300	32,730	50,900
Rental income	15,387	9,750	–
Rental expense	101,200	140,800	138,400
With former director of the Company			
Advances from	521,057	644,168	–
Expenses paid on behalf of/(by)	282,592	(78,720)	–
With director of the Company			
Advances from	–	–	58,595
Consideration for acquisition of subsidiaries	–	–	20,000
Expenses paid on behalf of	–	–	20,762

Compensation of key management personnel

Key management personnel are directors of the Company and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly.

The remuneration of directors of the Company during the financial years ended 31 December 2015, 2016 and 2017 were as follows:

	2015	2016	2017
	\$	\$	\$
Directors of the Company			
– directors' fees	–	–	3,500
– short-term employee benefits	119,950	122,160	474,180
– post-employment benefits	10,200	13,260	47,286
	130,150	135,420	524,966

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
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27. Segment information

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has three primary business segments, which are that of medical support services, business support services and pharmaceutical services.

Business segment	Medical support services \$	Business support services \$	Pharmaceutical services \$	Inter- segment elimination \$	Consolidated \$
2015					
Revenue					
External revenue	686,440	679,570	—	—	1,366,010
Inter-segment sales	—	300,000	—	(300,000)	—
Total revenue	<u>686,440</u>	<u>979,570</u>	<u>—</u>	<u>(300,000)</u>	<u>1,366,010</u>
Profit from operations					
Employee benefits expense	—	(621,643)	—	—	(621,643)
Depreciation and amortisation expenses	—	(18,627)	—	—	(18,627)
Income tax expense	(11,444)	(11,187)	—	—	(22,631)
Reportable segment profit before income tax	263,794	246,649	—	—	510,443
Net profit for the financial year after income tax	<u>252,350</u>	<u>235,462</u>	<u>—</u>	<u>—</u>	<u>487,812</u>
Other information:					
Capital expenditure	—	(11,556)	—	—	(11,556)
Segment assets	211,139	302,048	—	(50,973)	462,214
Segment liabilities	<u>40,383</u>	<u>161,503</u>	<u>—</u>	<u>(50,973)</u>	<u>150,913</u>

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

27. Segment information (Continued)

Business segment	Medical support services \$	Business support services \$	Pharmaceutical services \$	Inter- segment elimination \$	Consolidated \$
2016					
Revenue					
External revenue	742,400	1,019,168	—	—	1,761,568
Inter-segment sales	—	400,000	—	(400,000)	—
Total revenue	<u>742,400</u>	<u>1,419,168</u>	<u>—</u>	<u>(400,000)</u>	<u>1,761,568</u>
Profit from operations					
Employee benefits expense	—	(628,311)	—	—	(628,311)
Depreciation and amortisation expenses	—	(28,824)	—	—	(28,824)
Finance costs	(5,128)	(5,643)	—	—	(10,771)
Income tax expense	(12,822)	(16,880)	—	—	(29,702)
Reportable segment profit before income tax	285,610	488,787	—	—	774,397
Net profit for the financial year after income tax	<u>272,788</u>	<u>471,907</u>	<u>—</u>	<u>—</u>	<u>744,695</u>
<u>Other information:</u>					
Capital expenditure	—	(57,050)	—	—	(57,050)
Segment assets	255,711	652,767	—	(2,950)	905,528
Segment liabilities	<u>252,217</u>	<u>330,315</u>	<u>—</u>	<u>(2,950)</u>	<u>579,582</u>

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27. Segment information (Continued)

Business segment	Medical support services \$	Business support services \$	Pharmaceutical services \$	Inter- segment elimination \$	Consolidated \$
2017					
Revenue					
External revenue	1,377,618	997,826	668,093	–	3,043,537
Inter-segment sales	–	965,000	–	(965,000)	–
Total revenue	<u>1,377,618</u>	<u>1,962,826</u>	<u>668,093</u>	<u>(965,000)</u>	<u>3,043,537</u>
Profit from operations					
Interest income	163	–	162	–	325
Inventories and consumables	–	–	(490,076)	–	(490,076)
Employee benefits expense	(198,474)	(845,042)	(121,652)	–	(1,165,168)
Depreciation and amortisation expenses	(1,333)	(25,993)	(1,681)	–	(29,007)
Finance costs	–	–	(1,396)	–	(1,396)
Income tax expense	(23,549)	(27,649)	(5,113)	159	(56,152)
Reportable segment profit before income tax	416,399	745,830	41,195	(200,933)	1,002,491
Net profit for the financial year after income tax	<u>392,850</u>	<u>718,181</u>	<u>36,082</u>	<u>(200,774)</u>	<u>946,339</u>
<u>Other information:</u>					
Segment assets	989,050	6,348,971	1,144,637	(1,470,819)	7,011,839
Segment liabilities	<u>338,952</u>	<u>301,103</u>	<u>575,033</u>	<u>(312,769)</u>	<u>902,319</u>

Geographical information

The Group's revenue and assets are mainly derived from Singapore, accordingly, no geographical segment information are presented during these financial years.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

27. Segment information (Continued)

Major customers

The Group's revenue attributable to 1, 1 and 2 customers represent approximately 5.41%, 6.34% and 24.81% of total revenue for the financial years ended 31 December 2015, 2016 and 2017 respectively. Revenue from certain customers (named alphabetically A to B) of the Group's medical support service approximately \$73,900, \$111,700 and \$145,000 respectively and pharmaceutical service approximately \$610,000 during financial year ended 31 December 2017. The details of these customers which individually contributed 5 percent or more of the Group's revenue in the financial years are as follows:

	2015		2016		2017	
	\$	%	\$	%	\$	%
Customer A	73,960	5.41	111,760	6.34	144,994	4.76
Customer B	—	—	—	—	610,114	20.05
	<u>73,960</u>	<u>5.41</u>	<u>111,760</u>	<u>6.34</u>	<u>755,108</u>	<u>24.81</u>

28. Financial instruments, financial risks and capital management

The Group's activities expose them to credit risks and liquidity risks arising in the ordinary course of business. The Group is not exposed to foreign currency risks as its transactions are carried in Singapore dollar and there is no significant interest bearing liabilities as at 31 December 2017. The Group's overall risk management strategy seek to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's exposure to these financial risks or the manner in which the risks are managed and measured. The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

28.1 Credit risks

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require collaterals.

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28. Financial instruments, financial risks and capital management (Continued)

28.1 Credit risks (Continued)

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except as follows:

- (a) The Group has outstanding trade receivables from 1 customer which represent 26.54%, 17.03%, 30.29% of total trade receivables balance as at 31 December 2015, 2016 and 2017 respectively.

The carrying amounts of financial assets recorded in the combined financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risks. The Group does not hold any collateral.

The Group's major classes of financial assets are trade and other receivables, fixed deposit and cash and bank balances.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group.

Bank deposits are mainly deposits with reputable banks with minimum risk of default.

As at the end of the respective reporting periods, the age analysis of trade receivables past due but not impaired is as follows:

	2015	2016	2017
	\$	\$	\$
Past due less than 1 month	45,030	89,170	214,324
Past due 1 to 2 months	24,400	47,080	89,529
Past due 2 to 3 months	9,800	43,372	42,347
Past due over 3 months	<u>57,210</u>	<u>67,463</u>	<u>34,127</u>

28.2 Liquidity risks

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group actively manages its operating cash flows so as to ensure that all payment needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
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28. Financial instruments, financial risks and capital management (Continued)

28.2 Liquidity risks (Continued)

Contractual maturity analysis

The following tables detail the Group's remaining contractual maturity for its non-derivative financial instruments. The tables have been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to pay.

	Within one financial year \$	After one financial year but within five financial years \$	Total \$
2015			
<u>Financial liabilities</u>			
Trade and other payables	116,222	—	116,222
Total undiscounted financial liabilities	<u>116,222</u>	<u>—</u>	<u>116,222</u>
2016			
<u>Financial liabilities</u>			
Trade and other payables	110,229	—	110,229
Bank borrowings	419,612	—	419,612
Total undiscounted financial liabilities	<u>529,841</u>	<u>—</u>	<u>529,841</u>
2017			
<u>Financial liabilities</u>			
Trade and other payables	674,726	—	674,726
Finance lease payables	23,401	1,947	25,348
Total undiscounted financial liabilities	<u>698,127</u>	<u>1,947</u>	<u>700,074</u>

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
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28. Financial instruments, financial risks and capital management (Continued)

28.3 Capital management policies and objectives

The Group manages capital to ensure that it is able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

Management reviews the capital structure to ensure that the Group is able to service any debt obligations (including principal repayment and interest) based on operating cash flows. The Group's overall strategy remains unchanged during the financial years ended 31 December 2015, 2016 and 2017.

The Group monitors capital based on a gearing ratio, which is net debt divided by total equity plus net debt. The Group's net debt includes, trade and other payables, bank borrowings and finance lease payables less cash and cash equivalents. Equity attributable to the owners of the Company comprises share capital and reserves.

	2015	2016	2017
	\$	\$	\$
Trade and other payables	128,282	125,189	813,531
Bank borrowings	–	419,612	–
Finance lease payables	–	–	25,348
Less: Cash and cash equivalents	(277,676)	(413,769)	(3,066,874)
Net (cash)/debt	(149,394)	131,032	(2,227,995)
Total equity	311,301	325,946	6,109,520
Total capital	161,907	456,978	3,881,525
Gearing ratio	n.m.	29%	n.m.

The gearing ratio of the Group as at 31 December 2015 and 31 December 2017 are not meaningful ("n.m.") because cash and cash equivalents are more than total liabilities.

The Group was in compliance with all externally imposed capital requirements for the financial year ended 31 December 2016 and it did not have externally imposed capital requirements for the financial years ended 31 December 2015 and 31 December 2017.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

28. Financial instruments, financial risks and capital management (Continued)

28.4 Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and other financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

28.5 Categories of financial instruments

Fair value of financial instruments that are not carried at fair value

The carrying amounts of the current financial assets and current financial liabilities that are not carried at fair value approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

The fair values of non-current financial liabilities that are not carried at fair value in relation to finance lease payables and bank borrowings are disclosed in Notes 12 and 15 to the combined financial statements respectively which have been determined using discounted cash flow pricing models and are considered Level 3 recurring fair value measurements. Significant inputs to the valuation include adjustments to the discount rate for credit risk associated with the Group.

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
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28. Financial instruments, financial risks and capital management (Continued)

28.5 Categories of financial instruments (Continued)

Fair value of financial instruments that are not carried at fair value (Continued)

The following table sets out the financial instruments as at the end of the respective reporting periods:

	2015	2016	2017
	\$	\$	\$
Financial assets			
Loans and receivables	<u>429,193</u>	<u>821,681</u>	<u>4,016,637</u>
Financial liabilities			
Other financial liabilities, at amortised cost	<u>116,222</u>	<u>529,841</u>	<u>700,074</u>

29. Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017

The following sets out the reconciliation of differences between FRS and SFRS (I) for the combined statement of financial position, combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows of the Group for the financial year ended 31 December 2017 and the combined statement of financial position as at 1 January 2018.

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29. Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (Continued)

Combined statement of financial position

As at 1 January 2017	As reported under FRS \$	Effects of applying SFRS (I) 15 \$	As reported under SFRS (I) \$
ASSETS			
Non-current assets			
Plant and equipment	48,047	—	48,047
Intangible assets	—	—	—
	<u>48,047</u>	<u>—</u>	<u>48,047</u>
Current assets			
Inventories	—	—	—
Trade and other receivables	407,912	33,635	441,547
Prepayments	35,800	—	35,800
Fixed deposit	—	—	—
Cash and bank balances	413,769	—	413,769
	<u>857,481</u>	<u>33,635</u>	<u>891,116</u>
Total assets	<u>905,528</u>	<u>33,635</u>	<u>939,163</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	30,002	—	30,002
Retained earnings	295,944	28,070	324,014
Total equity	<u>325,946</u>	<u>28,070</u>	<u>354,016</u>
Non-current liabilities			
Finance lease payables	—	—	—
Deferred tax liabilities	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
Current liabilities			
Trade and other payables	125,189	—	125,189
Bank borrowings	419,612	—	419,612
Current income tax payable	34,781	5,565	40,346
	<u>579,582</u>	<u>5,565</u>	<u>585,147</u>
Total liabilities	<u>579,582</u>	<u>5,565</u>	<u>585,147</u>
Total equity and liabilities	<u>905,528</u>	<u>33,635</u>	<u>939,163</u>

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29. Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (Continued)

Combined statement of financial position (Continued)

As at 31 December 2017	As reported under FRS \$	Effects of applying SFRS (I) 15 \$	As reported under SFRS (I) \$	Effects of applying SFRS (I) 9 \$	As reported under SFRS (I) \$
ASSETS					
Non-current assets					
Plant and equipment	96,077	–	96,077	–	96,077
Intangible assets	2,439,594	–	2,439,594	–	2,439,594
	<u>2,535,671</u>	<u>–</u>	<u>2,535,671</u>	<u>–</u>	<u>2,535,671</u>
Current assets					
Inventories	452,361	–	452,361	–	452,361
Trade and other receivables	949,763	23,750	973,513	(6,519)	966,994
Prepayments	7,170	–	7,170	–	7,170
Fixed deposit	1,600,000	–	1,600,000	–	1,600,000
Cash and bank balances	1,466,874	–	1,466,874	–	1,466,874
	<u>4,476,168</u>	<u>23,750</u>	<u>4,499,918</u>	<u>(6,519)</u>	<u>4,493,399</u>
Total assets	<u>7,011,839</u>	<u>23,750</u>	<u>7,035,589</u>	<u>(6,519)</u>	<u>7,029,070</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	5,627,237	–	5,627,237	–	5,627,237
Retained earnings	482,283	19,865	502,148	(6,519)	495,629
Total equity	<u>6,109,520</u>	<u>19,865</u>	<u>6,129,385</u>	<u>(6,519)</u>	<u>6,122,866</u>
Non-current liabilities					
Finance lease payables	1,947	–	1,947	–	1,947
Deferred tax liabilities	8,409	–	8,409	–	8,409
	<u>10,356</u>	<u>–</u>	<u>10,356</u>	<u>–</u>	<u>10,356</u>
Current liabilities					
Trade and other payables	813,531	–	813,531	–	813,531
Finance lease payables	23,401	–	23,401	–	23,401
Current income tax payable	55,031	3,885	58,916	–	58,916
	<u>891,963</u>	<u>3,885</u>	<u>895,848</u>	<u>–</u>	<u>895,848</u>
Total liabilities	<u>902,319</u>	<u>3,885</u>	<u>906,204</u>	<u>–</u>	<u>906,204</u>
Total equity and liabilities	<u>7,011,839</u>	<u>23,750</u>	<u>7,035,589</u>	<u>(6,519)</u>	<u>7,029,070</u>

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

29. Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (Continued)

Combined statement of comprehensive income

For the financial year ended 31 December 2017	As reported under FRS \$	Effects of applying SFRS (I) 15 \$	As reported under SFRS (I) \$	Effects of applying SFRS (I) 9 \$	As reported under SFRS (I) \$
Revenue	3,043,537	(9,885)	3,033,652	–	3,033,652
<i>Other items of income</i>					
Other income	16,850	–	16,850	–	16,850
<i>Items of expense</i>					
Changes in inventories	(40,082)	–	(40,082)	–	(40,082)
Inventories and consumables	(449,994)	–	(449,994)	–	(449,994)
Employee benefits expense	(1,165,168)	–	(1,165,168)	–	(1,165,168)
Depreciation and amortization expenses	(29,007)	–	(29,007)	–	(29,007)
Other expenses	(372,249)	–	(372,249)	(6,519)	(378,768)
Finance costs	(1,396)	–	(1,396)	–	(1,396)
Profit before income tax	1,002,491	(9,885)	992,606	(6,519)	986,087
Income tax expense	(56,152)	1,680	(54,472)	–	(54,472)
Profit for the financial year, representing total comprehensive income for the financial year	946,339	(8,205)	938,134	(6,519)	931,615

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

29. Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (Continued)

Combined statement of changes in equity

	Share capital \$	Retained earnings \$	Total equity \$
Balance at 1 January 2017	30,002	295,944	325,946
Adjustment on initial application of SFRS(I) 15 (net of tax)	–	28,070	28,070
Adjusted balance at 1 January 2017	30,002	324,014	354,016
Profit for the financial year	–	938,134	938,134
Total comprehensive income for the year	–	938,134	938,134
Contributions by and distributions to owners			
Issue of shares	5,617,235	–	5,617,235
Restructuring exercise	(20,000)	–	(20,000)
Dividends	–	(760,000)	(760,000)
Total transactions with owners	<u>5,597,235</u>	<u>(760,000)</u>	<u>4,837,235</u>
Balance at 31 December 2017	5,627,237	502,148	6,129,385
Adjustment on initial application of SFRS(I) 9 (net of tax)	–	(6,519)	(6,519)
Balance at 1 January 2018	<u>5,627,237</u>	<u>495,629</u>	<u>6,122,866</u>

Combined statement of cash flows

There were no material adjustments to the Group’s combined statement of cash flows arising from the transition from FRS to SFRS (I).

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

29. Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (Continued)

Notes to the reconciliation of effect of current framework to SFRS(I) framework

(i) SFRS(I) 9

The Group plans to apply the simplified approach and record lifetime expected credit loss (“ECL”) on all trade receivables and will record an allowance for lifetime expected losses from initial recognition. For other receivables, the Group provides for 12-months expected losses under three-stage losses. Based on the assessment, the Group expects an increase in impairment for trade and other receivables of \$6,519, with an adjustment of \$6,519 to the retained earnings as at 1 January 2018.

(ii) SFRS(I) 15

The Group plans to adopt the standard with full retrospective effect. The adoption of SFRS(I) 15 has resulted in adjustments to the FRS financial statements as explained below:

Accounting for contracts with multiple performance obligations

Prior to the adoption of SFRS(I) 15, multiple services are provided under one contract and revenue are recognised as if it is only one performance obligation. In applying SFRS(I) 15, the Group has assessed each contract under the requirements of SFRS(I) 15 and concluded that these multiple services are to be unbundled as distinct performance obligation. The transaction price for each performance obligation is allocated based on its relative stand-alone selling price. The revenue for these performance obligations identified are recognised based on the accounting policy disclosed below.

Change from point in time to over time

Prior to the adoption of SFRS(I) 15, the Group recognises revenue from corporate services upon completion of service (i.e. end of contract). In applying SFRS(I) 15, revenue from corporate services should be recognised over the period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group. Based on the assessment, the Group expects an increase in trade and other receivables of \$23,750 with a corresponding increase in retained earnings by \$19,865 (net of tax implications of \$3,885) as at 31 December 2017.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

30. Events after the reporting period

30.1 Acquisition of AccTax

On 5 January 2018, the Company entered into a sale and purchase agreement for the acquisition of 50.0% equity interest in AccTax for cash consideration of \$375,000. The management determined that the Group obtained control over AccTax after the end of reporting period and recognised it as a subsidiary.

The fair values of the identifiable assets and liabilities of AccTax as at the date of acquisition were:

	\$
Plant and equipment	9,576
Intangible assets	42,930
Trade and other receivables	81,959
Prepayments	4,416
Cash and cash equivalents	5,309
Total assets	<u>144,190</u>
Trade and other payables	(77,956)
Finance lease payables	(11,193)
Deferred tax liabilities	<u>(7,298)</u>
Total assets	<u>(96,447)</u>
Net identifiable assets at fair value	47,743
Fair value of consideration paid	(375,000)
Less: Non-controlling interest measured at the non-controlling interests' proportionate share of net identifiable assets	<u>(23,872)</u>
Goodwill arising from acquisition	<u><u>(351,129)</u></u>

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

30. Events after the reporting period (Continued)

30.1 Acquisition of AccTax (Continued)

Goodwill of \$351,129 arising from the acquisition is attributable to expected synergies that can be achieved in combining the operations of this subsidiary with the Group such as expanding the Group's presence in Singapore and tapping on the subsidiary's workforce expertise. These intangibles identified are subsumed into goodwill as they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not expected to be deductible for tax purposes.

If the combination had taken place at the beginning of the financial year ended 31 December 2017, the Group's revenue for the financial year would have been \$3,421,419 and profit would have been \$935,210.

30.2 Acquisition of Patceljon and Jo-L

On 15 June 2018, the Company entered into a sale and purchase agreement for the acquisition of 60.0% equity interest in Patceljon and 60.0% of equity interest in Jo-L. The acquisition amounting to \$993,781 for Patceljon and \$85,296 for Jo-L, will be settled by cash consideration. The management determined that the Group obtained control over Patceljon and Jo-L after the end of reporting period and recognised them as subsidiaries.

The Company is in the midst of finalising the purchase price allocation reports of these acquisitions. Accordingly, no disclosure on the effect of the acquisitions have been made under the requirements of FRS 103 *Business Combinations* as the fair values of the net assets of the acquirees are not determinable as at the date of this report.

If the combinations had taken place at the beginning of the financial year ended 31 December 2017, the Group's revenue for the financial year would have been \$3,928,457 and profit before tax would have been \$1,178,800.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

30. Events after the reporting period (Continued)

30.3 Acquisition of remaining equity interest of 50%, 40% and 40% in AccTax, Patceljon and Jo-L

On 5 November 2018, the Company entered into the Restructuring Agreement to acquire the remaining:

- (i) 50% equity interest in AccTax, for a consideration of \$750,000; and
- (ii) 40% equity interest in Patceljon and Jo-L for an aggregate consideration of \$1,440,000,

pursuant to the acquisitions, AccTax, Patceljon and Jo-L became wholly-owned subsidiaries of the Company.

The consideration was satisfied by way of issuance of 1,566 ordinary shares at price of approximately \$1,398 each to vendors.

30.4 Right of first refusal agreement over entire issued and paid-up share capital of Ark Leadership & Learning Pte. Ltd. ("Ark Leadership")

On 12 November 2018, the Company entered into an agreement with Ark Leadership & Learning Pte. Ltd. ("Ark Leadership") and obtained a right of first refusal in relation to the entire issued and paid-up share capital of Ark Leadership.

30.5 On 9 November 2018, the shareholders of the Company approved, *inter alia*, the following:

- (a) adoption of the new Constitution;
- (b) the sub-division of existing issued share capital of the Company into 5,590 shares in the issued share capital of the Company ("Share Spilt");
- (c) the issue and allotment of the 26,000,000 placement shares which are subject to placement, which when allotted, issued and fully paid, will rank pari passu in all respects with the existing issued ordinary shares;
- (d) the allotment and issue of the 1,200,000 shares to Novus Corporate Finance Pte. Ltd. ("NCF") in part satisfaction of their professional fees;
- (e) the adoption of the performance share plan ("PSP");
- (f) the adoption of the Share Option Scheme;
- (g) the authority be given to the Directors of the Company to allot and issue shares upon the grant of awards under the PSP and the exercise of all options (including the allotment of shares arising from the exercise of the options to the selected individuals) granted under the Share Option Scheme;

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

30. Events after the reporting period (Continued)

30.5 On 9 November 2018, the shareholders of the Company approved, *inter alia*, the following: (Continued)

- (h) the listing and quotation of all the issued ordinary shares (including the placement shares, allotment and issuance of shares to NCF, performance shares and option shares to be issued (if any) on Catalist;
- (i) the authority be given to the Directors of the Company to:
 - (A) (i) issue shares whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require ordinary shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares;
 - (iii) notwithstanding that such authority may have ceased to be in force at the time that Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit,

- (B) issue shares in pursuance of any Instrument made or granted by the Directors of the Company pursuant to (h)(A)(ii) and/or (h)(A)(iii) above, while such authority was in force (notwithstanding that such issue of shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),
- (1) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) shall not exceed 100.0% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of ordinary shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing shareholders shall not exceed 50.0% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

30. Events after the reporting period (Continued)

30.5 On 9 November 2018, the shareholders of the Company approved, *inter alia*, the following: (Continued)

- (i) the authority be given to the Directors of the Company to: (Continued)
 - (B) issue shares in pursuance of any Instrument made or granted by the Directors of the Company pursuant to (h)(A)(ii) and/or (h)(A)(iii) above, while such authority was in force (notwithstanding that such issue of shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution), (Continued)
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares (including shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of ordinary shares that may be issued shall be based on the total number of issued shares of the Company (excluding treasury shares) immediately after the Placement, after adjusting for: (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities, (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this authority, provided that the options or awards were granted in compliance with the Catalist Rules, and (c) any subsequent bonus issue, consolidation or sub-division of ordinary shares;
- (3) in exercising such authority, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next annual general meeting of the Company or (ii) the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017 (Continued)**

30. Events after the reporting period (Continued)

30.5 On 9 November 2018, the shareholders of the Company approved, *inter alia*, the following: (Continued)

- (j) that without prejudice to the generality of, pursuant and subject to the approval of the general mandate to issue ordinary shares set out in (g) above, any Director be and is hereby authorised to issue ordinary shares other than on a pro rata basis to the Shareholders, at a discount not exceeding 10.0% of the weighted average price of the ordinary shares for trades done on the SGX-ST for the full Market Day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding Market Day up to the time the placement or subscription agreement is signed), at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided that,
 - (1) in exercising such authority so conferred in this paragraph (i), the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
 - (2) unless revoked or varied by the Company in general meeting, the authority so conferred in this paragraph (h) shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

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**APPENDIX B – INDEPENDENT AUDITORS’ REVIEW REPORT AND
UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
OF MEDINEX LIMITED AND ITS SUBSIDIARIES FOR THE
FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

**MEDINEX LIMITED
and its subsidiaries**

Independent Auditors’ Review Report And
Unaudited Interim Condensed Combined Financial Statements
For the financial period from 1 January 2018 to 30 June 2018

**UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

STATEMENT BY DIRECTORS

We, Jessie Low Mui Choo and Tan Lee Meng, being two of the directors of Medinex Limited (the “Company”), do hereby confirm that, in the opinion of the Board of Directors to the best of their knowledge, nothing has come to their attention which may render the accompanying unaudited interim condensed combined financial statements together with notes thereto are drawn up with the Financial Reporting Standards in Singapore (International) (“SFRS(I)”) for the financial period from 1 January 2018 to 30 June 2018 to be false or misleading.

On behalf of the Board of Directors

Jessie Low Mui Choo
Director

Tan Lee Meng
Director

Singapore
30 November 2018

**INDEPENDENT AUDITORS' REVIEW REPORT ON THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL
PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

30 November 2018

The Board of Directors
Medinex Limited
111 Peninsula Plaza,
#23-04 North Bridge Road
Singapore 179098

Report on the review of interim condensed combined financial statements

Introduction

We have reviewed the accompanying unaudited interim condensed combined financial statements of Medinex Limited (the "Company") and its subsidiaries (the "Group"), which comprise the unaudited interim condensed combined statement of financial position of the Group as at 30 June 2018, and the related unaudited interim condensed combined statements of comprehensive income, changes in equity and cash flows of the Group for the financial period from 1 January 2018 to 30 June 2018, and selected explanatory notes, as set out on pages B-5 to B-42. Management is responsible for the preparation and fair presentation of the unaudited interim condensed combined financial statements in accordance with the Singapore Financial Reporting Standards (International) 1-34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on the unaudited interim condensed combined financial statements based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited interim condensed combined financial statements is not prepared, in all material respects, in accordance with Singapore Financial Reporting Standards (International), 1-34 *Interim Financial Reporting*.

**INDEPENDENT AUDITORS' REVIEW REPORT ON THE UNAUDITED INTERIM
CONDENSED COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL
PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

Report on the review of interim condensed combined financial statements (Continued)

Restriction on distribution and use

This report is made solely to you as a body and for the inclusion in the Offer Document to be issued in relation to the proposed offering of the shares of the Company in connection with the Company's listing on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore

Leong Hon Mun Peter
Partner-in-charge

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note	31 December 2017 (Unaudited) \$	30 June 2018 (Unaudited) \$
ASSETS			
Non-current assets			
Plant and equipment	5	96,077	92,022
Intangible assets	6	2,439,594	2,823,698
Advance payments	7	–	1,079,077
		<u>2,535,671</u>	<u>3,994,797</u>
Current assets			
Inventories	8	452,361	515,491
Trade and other receivables	9	973,513	1,033,864
Prepayments		7,170	14,828
Fixed deposit	10	1,600,000	400,000
Cash and bank balances	11	1,466,874	2,384,157
		<u>4,499,918</u>	<u>4,348,340</u>
Total assets		<u><u>7,035,589</u></u>	<u><u>8,343,137</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	5,627,237	5,627,237
Retained earnings		502,148	1,552,591
Equity attributable to owners of the Company		<u>6,129,385</u>	<u>7,179,828</u>
Non-controlling interests		–	42,199
Total equity		<u>6,129,385</u>	<u>7,222,027</u>
Non-current liabilities			
Finance lease payables	13	1,947	5,748
Deferred tax liabilities	14	8,409	14,015
		<u>10,356</u>	<u>19,763</u>
Current liabilities			
Trade and other payables	15	813,531	946,795
Finance lease payables	13	23,401	17,278
Current income tax payable		58,916	137,274
		<u>895,848</u>	<u>1,101,347</u>
Total liabilities		<u>906,204</u>	<u>1,121,110</u>
Total equity and liabilities		<u><u>7,035,589</u></u>	<u><u>8,343,137</u></u>

The accompanying notes form an integral part of these financial statements.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED COMBINED STATEMENT OF COMPREHENSIVE
INCOME FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

	Note	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
Revenue	16	1,101,726	4,459,150
<i>Other items of income</i>			
Other income	17	8,554	43,405
<i>Items of expense</i>			
Changes in inventories		–	63,130
Inventories and consumables		–	(1,706,842)
Employee benefits expense	18	(347,040)	(1,208,034)
Depreciation and amortisation expenses	19	(13,125)	(30,729)
Other expenses		(114,504)	(440,121)
Finance costs	20	–	(1,395)
Profit before income tax	21	635,611	1,178,564
Income tax expense	22	(52,617)	(103,274)
Profit for the financial period, representing total comprehensive income for the financial period		<u>582,994</u>	<u>1,075,290</u>
Profit and total comprehensive income attributable to:			
Owners of the Company		582,994	1,056,962
Non-controlling interests		–	18,328
		<u>582,994</u>	<u>1,075,290</u>
Earnings per share	23		
– Basic and diluted (cents)		<u>0.56</u>	<u>1.02</u>

The accompanying notes form an integral part of these financial statements.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

	Note	Share capital \$	Retained earnings \$	Equity attributable to the owners of the Company \$	Non- controlling interests \$	Total equity \$
(Unaudited) Balance at 1 January 2017		30,002	324,014	354,016	–	354,016
Profit for the financial period		–	582,994	582,994	–	582,994
Total comprehensive income for the period		–	582,994	582,994	–	582,994
Distributions to owners						
Dividends	24	–	(560,000)	(560,000)	–	(560,000)
Total transactions with owners						
Balance at 30 June 2017		30,002	347,008	377,010	–	377,010
(Unaudited) Balance at 1 January 2018		5,627,237	495,629	6,122,866	–	6,122,866
Profit for the financial period		–	1,056,962	1,056,962	18,328	1,075,290
Total comprehensive income for the period		–	1,056,962	1,056,962	18,328	1,075,290
Transactions with non-controlling interests						
Acquisition of subsidiary		–	–	–	23,871	23,871
Total transactions with non-controlling interests						
Balance at 30 June 2018		5,627,237	1,552,591	7,179,828	42,199	7,222,027

The accompanying notes form an integral part of these financial statements.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED COMBINED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
Operating activities		
Profit before income tax	635,611	1,178,564
Adjustments for:		
Amortisation of intangible assets	–	9,955
Allowance for impairment loss on doubtful trade and other receivables	–	8,399
Depreciation of plant and equipment	13,125	20,774
Interest income	–	(10,767)
Interest expense	–	1,395
Operating cash flows before working capital changes	648,736	1,208,320
Inventories	–	(63,130)
Trade and other receivables	69,564	328,267
Trade and other payables	118,967	(242,559)
Prepayments	31,974	(3,242)
Cash generated from operations	869,241	1,227,656
Income tax paid	(21,566)	(26,608)
Net cash from operating activities	847,675	1,201,048
Investing activities		
Acquisition of subsidiaries, net of cash acquired	–	(369,691)
Advance payments for investments	–	(1,079,077)
Purchase of plant and equipment	–	(7,143)
Interest received	–	10,767
Net cash used in investing activities	–	(1,445,144)
Financing activities		
Advances from director (Note A)	–	2,559
Repayment to director (Note A)	–	(26,270)
Repayment from former director	94,506	–
Repayment of term loan	(419,252)	–
Repayment of finance lease (Note A)	–	(13,515)
Dividends paid	(560,000)	–
Interest paid	–	(1,395)
Net cash used in financing activities	(884,746)	(38,621)
Net change in cash and cash equivalents	(37,071)	(282,717)
Cash and cash equivalents at beginning of financial period	413,769	3,066,874
Cash and cash equivalents at end of financial period	376,698	2,784,157

Note A – Reconciliation of liabilities arising from financing activities:

	1 January 2018 \$	Cash flows \$	Arising from acquisition of subsidiary \$	30 June 2018 \$
Advances/(Repayment) from Directors	23,711	(23,711)	–	–
Finance lease payable	25,348	(13,515)	11,193	23,026

The accompanying notes form an integral part of these financial statements.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

These notes form an integral part and should be read in conjunction with the unaudited interim condensed combined financial statements.

These unaudited interim condensed combined financial statements have been prepared for inclusion in the Offer Document of Medinex Limited (the “Company”) and its subsidiaries (the “Group”) and were authorised for issue by the Directors of the Company on 30 November 2018.

1. General corporate information

The Company is a private limited company, incorporated and domiciled in Singapore with its registered office and principal place of business at 111 North Bridge Road #23-04 Peninsula Plaza Singapore 179098. The registration number of the Company is 200900689W.

The principal activity of the Company is to provide business and management consultancy services to the medical sector.

These unaudited interim condensed combined financial statements have been prepared solely in connection with the proposed listing of the Company on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Company has the following subsidiaries and the principal activities of the subsidiaries are set out in the table below:

Name of company	Principal place of business	Principal activities	Effective equity interest	
			31 December 2017	30 June 2018
			%	%
Medinex Corporate Services Pte. Ltd. (formerly known as Ark Corporate Solutions Pte. Ltd.)	Singapore	Business support services	100	100
Medinex Healthcare Pte. Ltd. (formerly known as JK Bizline Pte. Ltd.)	Singapore	Medical support services	100	100
Nex Healthcare Pte. Ltd.	Singapore	Medical support services	100	100
AccTax Management Consultancy Private Limited	Singapore	Business support services	–	50

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

2. Basis of preparation of interim condensed combined financial statements

The Group has adopted Singapore Financial Reporting Standards (International) (“SFRS (I)”) issued by the Accounting Standards Council on 1 January 2018 as required by the listing requirements of the Singapore Exchange. SFRS (I) is a new financial reporting framework identical to the International Financial Reporting Standards.

The unaudited interim condensed combined financial statements have been prepared for the financial period from 1 January 2018 to 30 June 2018 in accordance with Singapore Financial Reporting Standard (International) 1-34, *Interim Financial Reporting* (“SFRS(I) 1-34”).

The unaudited interim condensed combined financial statements do not include the information and full disclosures normally included in a complete set of financial statements and should be read in conjunction with the audited combined financial statements for the financial years ended 31 December 2015, 2016 and 2017.

The unaudited interim condensed combined financial statements are presented in Singapore dollar which is the functional currency of the Company and the presentation currency for the Group.

3. Summary of significant accounting policies

The unaudited interim condensed combined financial statements have been prepared on the historical basis except as disclosed in the accounting policies in the audited combined financial statements for the financial years ended 31 December 2015, 2016 and 2017.

The accounting policies and methods of computation used in the unaudited interim condensed combined financial statements are consistent with those applied in the audited combined financial statements for the financial years ended 31 December 2015, 2016 and 2017 except for the adoption of the new standards and interpretation effective from 1 January 2018. These accounting policies are set out in Note 3 to the audited combined financial statements for the financial years ended 31 December 2015, 2016 and 2017.

Other than the effects of the adoption of SFRS(I) 15 *Revenue from Contracts with Customers* (“SFRS (I) 15”) and SFRS(I) 9 *Financial Instruments* (“SFRS (I) 9”) that are effective for financial year beginning 1 January 2018 which are disclosed and reconciled in Note 29 to the audited combined financial statements for the financial years ended 31 December 2015, 2016 and 2017, the Group has assessed that there are no material reconciliation for differences between FRS and SFRS(I) required to be presented.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

3. Summary of significant accounting policies (Continued)

The Group applies, for the first time, SFRS(I) 15 and SFRS(I) 9 that require restatement of previous financial statements. As required by SFRS (I) 1-34, the nature and effect of these changes are disclosed below. Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the unaudited interim condensed combined financial statements of the Group.

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also establishes principles to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. In addition, it also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group adopted SFRS(I) 15 using the full retrospective method. The effect of adopting SFRS(I) 15 is summarised as below:

Impact on the statement of financial position as at 31 December 2017 is as follow:

		SFRS(I) 15 adjustment (increase) \$
ASSETS		
Current assets		
Trade and other receivables	(i)	23,750
Total assets		<u>23,750</u>
EQUITY AND LIABILITIES		
Equity		
Retained earnings	(i)	19,865
Total equity		<u>19,865</u>
Current liabilities		
Current income tax payable	(i)	3,885
Total liabilities		<u>3,885</u>
Total equity and liabilities		<u>23,750</u>

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**NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

3. Summary of significant accounting policies (Continued)

SFRS(I) 15 *Revenue from Contracts with Customers* (Continued)

Impact on the statement of profit or loss for the six months ended 30 June 2017 is as follows:

		SFRS (I) 15 adjustment (increase) \$
Revenue	(i)	19,850
Income tax expense	(i)	<u>3,375</u>

Impact on the statement of cash flow for the six months ended 30 June 2017 is as follows:

	SFRS (I) 15 framework (increase/ (decrease)) \$
Operating activities	
Profit before income tax	19,850
Trade and other receivables	<u>(19,850)</u>
Net cash from operating activities	<u>—</u>

The adoption of SFRS(I) 15 has resulted in adjustments to the previously issued FRS financial statements as explained below:

Accounting for contracts with multiple performance obligations

Prior to the adoption of SFRS(I) 15, multiple services are provided under one contract and revenue are recognised as if it is only one performance obligation. In applying SFRS(I) 15, the Group has assessed each contract under the requirements of SFRS(I) 15 and concluded that these multiple services are to be unbundled as distinct performance obligation. The transaction price for each performance obligation is allocated based on its relative stand-alone selling price. The revenue for these performance obligations identified are recognised based on the accounting policy disclosed below.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

3. Summary of significant accounting policies (Continued)

SFRS(I) 15 *Revenue from Contracts with Customers* (Continued)

Change from point in time to over time

Prior to the adoption of SFRS(I) 15, the Group recognises revenue from corporate services Upon completion of service (i.e. end of contract). In applying SFRS(I) 15, revenue from corporate services should be recognised over the period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group.

The net effect at the date of transition is an increase in trade and other receivables of \$23,750 with a corresponding increase in retained earnings by \$19,865 (net of tax implications of \$3,885).

In addition to the transition adjustments described above, adjustments were made to previously reported FRS balance as necessary. The financial impact as at 31 December 2017 and for period ended 30 June 2017 has been disclosed in table above.

The accounting policy under SFRS (I) 15 is as follows:

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts and variable amounts, if any.

(i) Rendering of services

The Group provides accounting support services, tax administration, payroll support services and business and management consultancy services to its customers. Certain revenue contracts with customers have multiple performance obligations which required to be unbundled in accordance with SFRS(I) 15. The Group has allocated transaction price to each performance obligation identified based on its relative stand-alone selling price.

Revenue for accounting support services, tax administration, payroll support services and business and management consultancy services are recognised in the accounting period in which the services are rendered. Limited judgement needed to identify when the point of control passes to customers.

The customers are invoiced either on yearly basis or based on the billings terms specified in contract. A contract asset is recognised for cumulative revenue recognised but not yet invoiced. In situation where payments collected prior to services rendered, a contract liability is recognised. There is no element of financing in the Group's revenue transactions as customers are required to pay within a credit term of 30 to 60 days.

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

3. Summary of significant accounting policies (Continued)

SFRS(I) 15 *Revenue from Contracts with Customers (Continued)*

Change from point in time to over time (Continued)

(ii) Sale of goods

The Group is involved in selling of medical and pharmaceutical products to its customers. Revenue from the sales of these products is recognised at point in time when the products are delivered to customers. Limited judgement needed to identify when the point of control passes to customers. There is no element of financing in the Group's revenue transactions as customers are required to pay within a credit term of 30 to 60 days.

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 *Financial Instruments* is effective from annual periods beginning on or after 1 January 2018. The Group has applied SFRS(I) 9 retrospectively, with the initial application date of 1 January 2018 and elect not to restate the comparative information for the period beginning 1 January 2017.

The accounting policy under SFRS(I) 9 is as follows:

An entity shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets into one of the categories below, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

3. Summary of significant accounting policies (Continued)

SFRS(I) 9 *Financial Instruments* (Continued)

Financial assets (Continued)

Amortised cost (Continued)

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the combined statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the combined statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the combined statement of financial position.

**NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

4. Critical accounting judgements and key sources of estimation uncertainty

4.1 Critical judgements made in applying the accounting policies

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the combined financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

(i) *Goodwill*

The management determines whether goodwill is impairment at least on annual basis. This requires an estimation of the recoverable amounts of the cash-generating units to which the goodwill is allocated. Recoverable amount of the cash-generating units is the higher of its fair value less costs to sell or its value in use. The value in use calculations are based on a discounted cash flow model. The recoverable amount is the most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for the extrapolation purposes. The carrying amount of the Group's goodwill as at 31 December 2017 and 30 June 2018 were \$2,390,122 and \$2,741,251 respectively.

(ii) *Allowance for impairment loss on doubtful receivables*

Management determines the expected loss arising from default for trade receivables and contract assets, by categorised them based on its historical loss pattern, historical payment profile, geographical risk as well as credit risk profile of customer. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. There is no customer in financial difficulties during the financial year. The carrying amounts of trade and other receivables of the Group as at 31 December 2017 and 30 June 2018 were \$973,513 and \$1,033,864 respectively.

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5. Plant and equipment

	Computer	Furniture and fittings	Office equipment	Renovation	Motor vehicle	Total
	\$	\$	\$	\$	\$	\$
31 December 2017 (Unaudited)						
Cost						
Balance at 1 January 2017	51,077	16,258	16,927	33,666	–	117,928
Arising from acquisition of subsidiary	8,611	4,014	3,940	–	59,539	76,104
Disposals	(15,000)	(16,258)	–	–	–	(31,258)
Balance at 31 December 2017	44,688	4,014	20,867	33,666	59,539	162,774
Accumulated depreciation						
Balance at 1 January 2017	32,907	16,258	9,494	11,222	–	69,881
Depreciation charged	9,651	141	5,780	11,222	1,280	28,074
Disposals	(15,000)	(16,258)	–	–	–	(31,258)
Balance at 31 December 2017	27,558	141	15,274	22,444	1,280	66,697
Net carrying amount						
Balance at 31 December 2017	17,130	3,873	5,593	11,222	58,259	96,077
30 June 2018 (Unaudited)						
Cost						
Balance at 1 January 2018	44,688	4,014	20,867	33,666	59,539	162,774
Arising from acquisition of subsidiary	1,885	133	7,558	–	–	9,576
Additions	2,133	5,010	–	–	–	7,143
Balance at 30 June 2018	48,706	9,157	28,425	33,666	59,539	179,493
Accumulated depreciation						
Balance at 1 January 2018	27,558	141	15,274	22,444	1,280	66,697
Depreciation charged	5,549	824	4,949	5,611	3,841	20,774
Balance at 30 June 2018	33,107	965	20,223	28,055	5,121	87,471
Net carrying amount						
Balance at 30 June 2018	15,599	8,192	8,202	5,611	54,418	92,022

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

6. Intangible assets

	Customer listing \$	Goodwill \$	Total \$
31 December 2017 (Unaudited)			
Cost			
Balance at 1 January 2017	–	–	–
Arising from acquisition of subsidiary	50,405	2,390,122	2,440,527
Balance at 31 December 2017	<u>50,405</u>	<u>2,390,122</u>	<u>2,440,527</u>
Accumulated amortisation			
Balance at 1 January 2017	–	–	–
Amortisation for the financial year	933	–	933
Balance at 31 December 2017	<u>933</u>	<u>–</u>	<u>933</u>
Net carrying amount			
Balance at 31 December 2017	<u>49,472</u>	<u>2,390,122</u>	<u>2,439,594</u>
30 June 2018 (Unaudited)			
Cost			
Balance at 1 January 2018	50,405	2,390,122	2,440,527
Arising from acquisition of subsidiary	42,930	351,129	394,059
Balance at 30 June 2018	<u>93,335</u>	<u>2,741,251</u>	<u>2,834,586</u>
Accumulated amortisation			
Balance at 1 January 2018	933	–	933
Amortisation for the financial period	9,955	–	9,955
Balance at 30 June 2018	<u>10,888</u>	<u>–</u>	<u>10,888</u>
Net carrying amount			
Balance at 30 June 2018	<u>82,447</u>	<u>2,741,251</u>	<u>2,823,698</u>

Amortisation expense was included in “Depreciation and amortisation expenses” line item of profit or loss.

Goodwill arising on consolidation relates to the acquisition of subsidiaries, Nex Healthcare Pte. Ltd. and AccTax Management Consultancy Private Limited.

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6. Intangible assets (Continued)

Acquisition of AccTax Management Consultancy Private Limited ("AccTax")

On 5 January 2018, the Company acquired 50.0% of equity interest in AccTax for cash consideration of \$375,000.

The fair values of the identifiable assets and liabilities of AccTax as at the date of acquisition were:

	\$
Plant and equipment	9,576
Intangible assets	42,930
Trade and other receivables	81,959
Prepayments	4,416
Cash and cash equivalents	5,309
Total assets	<u>144,190</u>
Trade and other payables	(77,956)
Finance lease payables	(11,193)
Deferred tax liabilities	<u>(7,298)</u>
Total liabilities	<u>(96,447)</u>
Net identifiable assets at fair value	47,743
Fair value of consideration paid	(375,000)
Less: Non-controlling interest measured at the non-controlling interests' proportionate share of net identifiable assets	<u>(23,872)</u>
Goodwill arising from acquisition	<u><u>(351,129)</u></u>

Goodwill of \$351,129 arising from the acquisition is attributable to expected synergies that can be achieved in combining the operations of this subsidiary with the Group such as expanding the Group's presence in Singapore and tapping on the subsidiary's workforce expertise. These intangibles identified are subsumed into goodwill as they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not expected to be deductible for tax purposes.

From the date of acquisition, AccTax has contributed \$231,895 and \$21,299 to the Group's revenue and profit before tax for the financial period ended 30 June 2018 respectively. If the combination had taken place at the beginning of the financial period ended 30 June 2018, the Group's revenue for the financial period ended 30 June 2018 would have been \$4,459,150 and profit before tax would have been \$1,178,564.

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6. Intangible assets (Continued)

Acquisition of AccTax Management Consultancy Private Limited ("AccTax") (Continued)

The effect of acquisition of subsidiary on the unaudited interim condensed combined statement of cash flows was as follows:

	30 June 2018 (Unaudited) \$
Total purchase consideration	375,000
Less: Cash and cash equivalents of subsidiary acquired	(5,309)
Net cash outflow on acquisition	<u>369,691</u>

Trade and other receivables acquired comprise gross trade and other receivables amounting to \$81,959 which approximates fair value. It is expected that full contractual amount of receivables can be collected.

Impairment test of goodwill and customer listing

Goodwill arising from the business combinations were related to acquisition of subsidiaries, of which, each subsidiary is an individual cash-generating unit ("CGU") that are expected to benefit from the business combinations.

As at 31 December 2017 and 30 June 2018, the recoverable amount of the CGU has been determined based on value-in-use calculations using management-approved discounted cash flow projections covering 9 years and 5 to 8 years respectively. Management has assessed 5 years cash flows for the financial forecast of the CGU is appropriate considering the management's plan for its business plan in the near future. The revenue growth rates are based on management's best estimate, average gross margin are based on past performance and discount rates using pre-tax rates that reflect current market assessment of the time value of money and the risks specific to the CGUs.

Key assumptions used for value-in-use calculations:

		Revenue growth rate		Pre-tax discount rate	
		2017	2018	2017	2018
Nex Healthcare Pte. Ltd.	2018 to 2026	5%	5%	13.9%	13.9%
AccTax Management Consultancy Private Limited	2019 to 2023	–	11%	–	16.5%

Revenue growth rate – The forecasted growth rates are based on management's expectations for each CGU from historical trends as well as average growth rates of the industry.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

6. Intangible assets (Continued)

Impairment test of goodwill and customer listing (Continued)

Pre-tax discount rate – Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The discount rate calculation is derived from the weighted average cost of capital (“WACC”) of the Group.

With regards to the assessment of value-in-use for goodwill, management believes that no reasonably possible changes in any key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

As at the end of the reporting period, the recoverable amount of the CGU was determined to be higher than its carrying amount and thus, no impairment loss recognised.

7. Advance payments

	31 December 2017 (Unaudited) \$	30 June 2018 (Unaudited) \$
Non-current assets		
Advance payments	–	1,079,077

The advance payments classified as non-current assets relate to acquisition of the subsidiaries, Patceljon Professional Services Pte Ltd (“Patceljon”) and Jo-L Consultus Pte. Ltd. (“Jo-L”) on 15 June 2018. The advance payment to acquire 60.0% of equity interest in Patceljon and Jo-L are \$993,781 and \$85,296 respectively.

8. Inventories

	31 December 2017 (Unaudited) \$	30 June 2018 (Unaudited) \$
Medical and pharmaceutical products for resale	452,361	515,491

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9. Trade and other receivables

	31 December 2017 (Unaudited) \$	30 June 2018 (Unaudited) \$
Trade receivables		
– third parties	743,768	963,705
– corporate shareholder	13,391	11,084
Allowance for impairment loss on third parties trade receivables	–	(8,399)
	<u>757,159</u>	<u>966,390</u>
Other receivables		
– third parties	145,234	3,454
Deposits	47,370	42,320
Contract asset	23,750	21,700
	<u>973,513</u>	<u>1,033,864</u>

Trade receivables are granted credit terms generally ranging from 30 to 90 days.

Movements in allowance for impairment loss on third parties trade receivables were as follows:

	31 December 2017 (Unaudited) \$	30 June 2018 (Unaudited) \$
Balance at beginning of financial period	–	–
Charged for the financial period	–	8,399
Balance at end of financial period	<u>–</u>	<u>8,399</u>

Allowances for impairment loss on third parties trade receivables are made in respect of expected credit losses subsequent to debt recovery assessment made by the management by reference to past default experience.

The currency profile of trade and other receivables as at the end of the reporting period is Singapore dollar.

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10. Fixed deposit

Fixed deposit is placed for a period of 6 months and 12 months and bear effective interest rates of 1.3% and 1.45% per annum for the financial periods ended 31 December 2017 and 30 June 2018 respectively.

The currency profile of fixed deposit as at the end of the reporting period is Singapore dollar.

11. Cash and bank balances

For the purpose of the combined statement of cash flows, cash and cash equivalents comprise the following amounts as at the end of the reporting period:

	31 December 2017 (Unaudited)	30 June 2018 (Unaudited)
	\$	\$
Fixed deposits with a bank	1,600,000	400,000
Cash and bank balances	1,466,874	2,384,157
	<hr/>	<hr/>
Cash and cash equivalents on combined statement of cash flows	3,066,874	2,784,157
	<hr/> <hr/>	<hr/> <hr/>

The currency profile of cash and bank balances as at the end of the reporting period is Singapore dollar.

12. Share capital

	Number of ordinary shares	\$
31 December 2017 (Unaudited)		
Balance at the beginning of financial year	10,002	10,002
Issuance of shares pursuant to acquisition of subsidiary	4,053	3,569,235
Issuance of shares	2,985	2,048,000
	<hr/>	<hr/>
Balance at the end of financial year	17,040	5,627,237
	<hr/> <hr/>	<hr/> <hr/>
30 June 2018 (Unaudited)		
Balance at the beginning and end of financial period	17,040	5,627,237
	<hr/> <hr/>	<hr/> <hr/>

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13. Finance lease payables

	Minimum lease payments \$	Future finance charges \$	Present value of minimum lease payments \$
31 December 2017 (Unaudited)			
Current liabilities			
Not later than one financial year	25,500	(2,099)	23,401
Non-current liabilities			
Later than one financial year but not later than five financial years	2,122	(175)	1,947
	<u>27,622</u>	<u>(2,274)</u>	<u>25,348</u>
30 June 2018 (Unaudited)			
Current liabilities			
Not later than one financial year	19,192	(1,914)	17,278
Non-current liabilities			
Later than one financial year but not later than five financial years	6,840	(1,092)	5,748
	<u>26,032</u>	<u>(3,006)</u>	<u>23,026</u>

The finance lease terms range from 3 years and 3 to 5 years for the financial periods ended 31 December 2017 and 30 June 2018 respectively.

The effective interest rate charged for the finance lease obligations range 5.66% and 3.86% to 5.66% per annum for the financial periods ended 31 December 2017 and 30 June 2018. The finance leases are secured on the plant and equipment purchased under finance lease arrangements.

As at the end of the respective reporting periods, the fair values of the Group's finance lease payables approximate their carrying amounts. All finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The currency profile of finance lease payables as at the end of the reporting period is Singapore dollar.

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14. Deferred tax liabilities

	31 December 2017 (Unaudited) \$	30 June 2018 (Unaudited) \$
Balance at beginning of financial year/period	–	8,409
Arising from acquisition of subsidiary	8,568	7,298
Credited to profit or loss	(159)	(1,692)
Balance at end of financial year/period	<u>8,409</u>	<u>14,015</u>

Deferred tax liabilities are attributable to temporary differences arising from accelerated tax depreciation computed at Singapore's income tax rate of 17% (31 December 2017: 17%).

15. Trade and other payables

	31 December 2017 (Unaudited) \$	30 June 2018 (Unaudited) \$
Trade payables		
– third parties	445,367	406,531
Other payables		
– third parties	60,676	189,182
Due to Directors	23,711	–
Goods and services tax, net	48,248	49,140
Accrued expenses	144,972	175,937
Deferred revenue	36,504	93,659
Service fee received in advance	54,053	32,346
	<u>813,531</u>	<u>946,795</u>

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 60 days' credit terms.

The non-trade amounts due to Directors of the Company are unsecured, non-interest bearing and repayable on demand.

The currency profile of trade and other payables as at the end of the respective reporting periods is Singapore dollar.

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16. Revenue

	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
Service fee	1,101,726	2,416,225
Sale of medical and pharmaceutical products	—	2,042,925
	<u>1,101,726</u>	<u>4,459,150</u>

Disaggregation of revenue

The Group has disaggregated revenue into various categorical in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic date; and
- enable users to understand the relationship with revenue segment information provided in Note 27 to the unaudited interim condensed combined financial statements.

Business segment	Medical support services		Business support services		Pharmaceutical services		Total	
	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Type of good or service								
Service fee	429,045	1,618,030	672,681	798,195	—	—	1,101,726	2,416,225
Sale of medical and pharmaceutical products	—	—	—	—	—	2,042,925	—	2,042,925
	<u>429,045</u>	<u>1,618,030</u>	<u>672,681</u>	<u>798,195</u>	<u>—</u>	<u>2,042,925</u>	<u>1,101,726</u>	<u>4,459,150</u>
Timing of transfer of goods and services								
Point in time	421,245	1,586,688	621,221	760,773	—	2,042,925	1,042,466	4,390,386
Over time	7,800	31,342	51,460	37,422	—	—	59,260	68,764
	<u>429,045</u>	<u>1,618,030</u>	<u>672,681</u>	<u>798,195</u>	<u>—</u>	<u>2,042,925</u>	<u>1,101,726</u>	<u>4,459,150</u>

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16. Revenue (Continued)

Contract assets and contract liabilities

	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
Contract assets		
Service fee	34,000	21,700
Contract liabilities		
Service fee	(150)	(400)

(i) Significant changes in contract assets and contract liabilities

	Contract assets		Contract liabilities	
	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
Balance at beginning of financial period	33,635	23,750	—	—
Transfers to trade receivables	(19,635)	(18,050)	—	—
Excess of revenue recognised over cash (or rights to cash)	20,000	16,000	—	—
Cash received in advance of performance and not recognised as revenue	—	—	(150)	(400)
Amount recognised as revenue	—	—	—	—
Balance at end of financial period	34,000	21,700	(150)	(400)

The contract assets arise from rendering of services mainly due to the services rendered and revenue recognition but it has not reached its agreed billing milestone at each end of financial period do not necessarily equal to the amount of revenue recognised on the contracts.

(ii) Remaining performance obligation

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, is not disclosed.

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17. Other income

	1 January 2017 to 30 June 2017 (Unaudited)	1 January 2018 to 30 June 2018 (Unaudited)
	\$	\$
Government grants	8,554	14,350
Interest income	—	10,767
Ad-hoc service fee income	—	11,856
Others	—	6,432
	<u>8,554</u>	<u>43,405</u>

18. Employee benefits expense

	1 January 2017 to 30 June 2017 (Unaudited)	1 January 2018 to 30 June 2018 (Unaudited)
	\$	\$
Director's fee	500	3,700
Salaries, bonuses and other staff benefits	314,052	1,077,538
Contributions to defined contribution plans	32,488	126,796
	<u>347,040</u>	<u>1,208,034</u>

Included in the employee benefits expense were the remuneration of Directors of the Company as disclosed in Note 26 to the interim condensed combined financial statements.

19. Depreciation and amortisation expenses

	1 January 2017 to 30 June 2017 (Unaudited)	1 January 2018 to 30 June 2018 (Unaudited)
	\$	\$
Depreciation of plant and equipment	13,125	20,774
Amortisation of intangible assets	—	9,955
	<u>13,125</u>	<u>30,729</u>

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20. Finance costs

	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
Finance lease interest	–	1,395

21. Profit before income tax

	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
Entertainment	13,349	4,854
Professional fees	6,572	54,987
Operating lease expenses		
– Rental of office	64,200	115,966
Recruitment expenses	19,950	16,220
Small value assets	1,069	7,242
Telephone and postages	6,427	24,440

22. Income tax expense

	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
Current income tax		
– current financial period	52,617	104,966
Deferred tax		
– current financial period	–	(1,692)
	52,617	103,274

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22. Income tax expense (Continued)

Reconciliation of effective income tax rate

	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
Profit before income tax	635,611	1,178,564
Income tax calculated at Singapore's statutory income tax rate of 17% and 17% respectively	108,054	200,356
Tax effect of income not subject to income tax	—	1,112
Tax effect of non-deductible expenses for income tax purposes	2,231	4,319
Tax effect of enhanced deduction/allowance	—	(1,908)
Tax effect of tax exempt income	(48,475)	(85,850)
Corporate tax rebate	(20,000)	(22,539)
Others	10,807	7,784
	52,617	103,274

23. Earnings per share

The calculation for earning per share is based on:

	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
<i>Earnings</i>		
Profit attributable to owners of the Company	582,994	1,056,962
<i>Number of shares</i>		
Weighted-average number of ordinary shares used in basic and diluted EPS	104,007,540	104,007,540

The calculations of basic earnings per share for the relevant periods are based on profit attributable to ordinary shareholders for the financial periods ended 30 June 2017 and 30 June 2018 divided by the pre-placement number of ordinary shares as these reflects the weighted average number of ordinary shares in relevant periods adjusted for the shares issued in the restructuring exercise and share spilt.

The diluted earnings per share for the relevant periods are same as the basic earnings per share as there were no dilutive potential ordinary shares for the relevant periods.

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24. Dividends

	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
Medinex Corporate Services Pte. Ltd. paid the following dividends:		
Tax exempt interim dividend of approximately \$41 and \$Nil per ordinary share in respect of financial period ended 30 June 2017 and 30 June 2018 respectively	410,000	—
Medinex Healthcare Pte. Ltd. paid the following dividends:		
Tax exempt interim dividend of approximately \$35 and \$Nil per ordinary share in respect of financial period ended 30 June 2017 and 30 June 2018 respectively	150,000	—
	<u>560,000</u>	<u>—</u>

25. Operating lease commitments

The Group as lessee

The Group leases office under non-cancellable operating leases. The operating lease commitments are based on existing rental rates. The leases have lease term range from 1 to 9 years and rentals are fixed during the lease term.

As at the end of the respective reporting periods, the future minimum lease payable under non-cancellable operating leases contracted for but not recognised as liabilities were as follows:

	31 December 2017 (Unaudited) \$	30 June 2018 (Unaudited) \$
Within one financial year	184,484	153,084
After one financial year but within five financial years	312,079	160,537
More than five financial years	220,000	285,000
	<u>716,563</u>	<u>598,621</u>

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26. Significant related party transactions

For the purpose of these combined financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the interim condensed combined financial statements, the following were significant related party transactions at rates and terms agreed between the Group with its related parties during the respective financial periods:

	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
With corporate shareholder		
Service rendered fee	–	1,827
Sales of medicine	–	45,943
With controlling shareholders of corporate shareholder		
Service rendered fee	200	95,862
With related parties		
Collection on behalf for	11,480	–
Management fee income	127,500	–
Rental expense	64,200	73,400
HR outsource expense	19,000	18,500
Service rendered fee	5,530	12,540
With Director of the Company		
Advances from	–	2,559

Compensation of key management personnel

Key management personnel are directors of the Company and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly.

The remuneration of directors of the Company and subsidiaries and key management personnel of the Group were as follows:

	1 January 2017 to 30 June 2017 (Unaudited) \$	1 January 2018 to 30 June 2018 (Unaudited) \$
Directors of the Company		
– directors' fees	500	3,700
– short-term employee benefits	73,580	381,610
– post-employment benefits	6,350	30,400
	80,430	415,710

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27. Segment information

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has three primary business segments, which are that of medical support services, business support services and pharmaceutical services.

Business segment	Medical support services \$	Business support services \$	Pharmace- utical services \$	Inter- segment elimination \$	Consolidated \$
30 June 2017					
(Unaudited)					
Revenue					
External revenue	429,045	672,681	–	–	1,101,726
Inter-segment sales	–	355,000	–	(355,000)	–
Total revenue	<u>429,045</u>	<u>1,027,681</u>	<u>–</u>	<u>(355,000)</u>	<u>1,101,726</u>
Profit from operations					
Employee benefits expense	(250)	(346,790)	–	–	(347,040)
Depreciation and amortisation expense	–	(13,125)	–	–	(13,125)
Finance costs	–	–	–	–	–
Income tax expense	(6,111)	(46,506)	–	–	(52,617)
Reportable segment profit before income tax	185,315	450,296	–	–	635,611
Net profit for the financial period after income tax	<u>179,204</u>	<u>403,790</u>	<u>–</u>	<u>–</u>	<u>582,994</u>
<u>Other information:</u>					
Segment assets	170,800	752,972	–	(240,254)	683,518
Segment liabilities	<u>121,815</u>	<u>436,957</u>	<u>–</u>	<u>(220,254)</u>	<u>338,518</u>

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27. Segment information (Continued)

	Medical support services \$	Business support services \$	Pharma- ceutical services \$	Inter- segment elimination \$	Consolidated \$
30 June 2018					
(Unaudited)					
Revenue					
External revenue	1,618,030	798,195	2,042,925	–	4,459,150
Inter-segment sales	–	469,070	–	(469,070)	–
Total revenue	<u>1,618,030</u>	<u>1,267,265</u>	<u>2,042,925</u>	<u>(469,070)</u>	<u>4,459,150</u>
Profit from operations					
Interest income	58	10,651	58	–	10,767
Inventories and consumables	–	–	(1,643,712)	–	(1,643,712)
Employee benefits expense	(335,508)	(586,860)	(285,666)	–	(1,208,034)
Depreciation and amortisation expense	(4,251)	(21,162)	(5,316)	–	(30,729)
Finance costs	–	(345)	(1,050)	–	(1,395)
Income tax expense	(66,371)	(34,360)	(4,235)	1,692	(103,274)
Reportable segment profit before income tax	794,740	331,194	62,585	(9,955)	1,178,564
Net profit for the financial period after income tax	<u>728,369</u>	<u>296,834</u>	<u>58,350</u>	<u>(8,263)</u>	<u>1,075,290</u>
<u>Other information:</u>					
Capital expenditure	(3,572)	–	(3,571)	–	(7,143)
Segment assets	1,626,448	6,723,842	1,155,157	(1,162,310)	8,343,137
Segment liabilities	<u>183,404</u>	<u>360,984</u>	<u>584,480</u>	<u>(7,758)</u>	<u>1,121,110</u>

Geographical information

The Group's revenue and assets are mainly derived from Singapore, accordingly, no geographical segment information is presented.

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27. Segment information (Continued)

Major customers

The Group's revenue attributable to 1 and 2 customers represent approximately 5.48% and 44.48% of total revenue for the period from 1 January 2017 to 30 June 2017 and for the period from 1 January 2018 to 30 June 2018 respectively. Revenue from certain customers (named alphabetically A to B) of the Group's medical support service approximately \$60,300 and \$119,800 for the period from 1 January 2017 to 30 June 2017 and for the period from 1 January 2018 to 30 June 2018 respectively and pharmaceutical service approximately \$Nil and \$1,863,000 for the period from 1 January 2017 to 30 June 2017 and for the period from 1 January 2018 to 30 June 2018 respectively. The details of these customers which individually contributed 5 percent or more of the Group's revenue in the financial years are as follows:

	1 January 2017 to 30 June 2017 (Unaudited)		1 January 2018 to 30 June 2018 (Unaudited)	
	\$	%	\$	%
Customer A	60,380	5.48	119,886	2.69
Customer B	—	—	1,863,274	41.79
	<u>60,380</u>	<u>5.48</u>	<u>1,983,160</u>	<u>44.48</u>

28. Financial instruments, financial risks and capital management

The Group's activities expose them to credit risks and liquidity risks arising in the ordinary course of business. The Group's overall risk management strategy seek to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's exposure to these financial risks or the manner in which the risks are managed and measured. The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

28.1 Credit risks

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collaterals.

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28. Financial instruments, financial risks and capital management (Continued)

28.1 Credit risks (Continued)

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics.

- (a) The Group has outstanding trade receivables from 1 customer which represent 30.04% and 30.99% of total trade receivables balance as at 31 December 2017 and 30 June 2018 respectively.

The carrying amounts of financial assets recorded in the combined financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risks. The Group does not hold any collateral.

The Group's major classes of financial assets are trade and other receivables, fixed deposit and cash and bank balances.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Group.

Bank deposits are mainly deposits with a reputable bank with minimum risk of default.

As at the end of the respective reporting periods, the age analysis of trade receivables past due but not impaired is as follows:

	31 December 2017 (Unaudited) \$	30 June 2018 (Unaudited) \$
Past due less than 1 month	256,604	262,585
Past due 1 to 2 months	89,529	86,158
Past due 2 to 3 months	42,347	89,883
Past due over 3 months	<u>34,127</u>	<u>149,057</u>

28.2 Liquidity risks

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group actively manages its operating cash flows so as to ensure that all payment needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

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28. Financial instruments, financial risks and capital management (Continued)

28.2 Liquidity risks (Continued)

Contractual maturity analysis

The following tables detail the Group's remaining contractual maturity for its non-derivative financial instruments. The tables have been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to pay.

	Within one financial year \$	After one financial year but within five financial years \$	Total \$
31 December 2017 (Unaudited)			
<u>Financial liabilities</u>			
Trade and other payables	674,726	—	674,726
Finance lease payables	23,401	1,947	25,348
Total undiscounted financial liabilities	<u>698,127</u>	<u>1,947</u>	<u>700,074</u>
30 June 2018 (Unaudited)			
<u>Financial liabilities</u>			
Trade and other payables	771,650	—	771,650
Finance lease payables	17,278	5,748	23,026
Total undiscounted financial liabilities	<u>788,928</u>	<u>5,748</u>	<u>794,676</u>

28.3 Capital management policies and objectives

The Group manages capital to ensure that it is able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

Management reviews the capital structure to ensure that the Group is able to service any debt obligations (including principal repayment and interest) based on operating cash flows. The Group's overall strategy remains unchanged during the financial period from 1 January 2018 to 30 June 2018.

As at 30 June 2018 and 31 December 2017, the gearing ratio is not meaningful as cash and cash equivalents are more than total liabilities.

The Group did not have externally imposed capital requirements for the financial periods ended 31 December 2017 and 30 June 2018.

**NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

28. Financial instruments, financial risks and capital management (Continued)

28.4 Fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and other financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

28.5 Categories of financial instruments

Fair values of financial instruments that are not carried at fair value

The carrying amounts of the current financial assets and current financial liabilities that are not carried at fair value approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

The fair values of non-current financial liabilities that are not carried at fair value in relation to finance lease payables are disclosed in Note 13 to the combined financial statements respectively which have been determined using discounted cash flow pricing models and are considered Level 3 recurring fair value measurements. Significant inputs to the valuation include adjustments to the discount rate for credit risk associated with the Group.

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28. Financial instruments, financial risks and capital management (Continued)

28.5 Categories of financial instruments (Continued)

Fair values of financial instruments that are not carried at fair value (Continued)

The following table sets out the financial instruments as at the end of the respective reporting periods:

	31 December 2017 (Unaudited) \$	30 June 2018 (Unaudited) \$
Financial assets		
Loans and receivables	<u>4,040,387</u>	<u>3,818,021</u>
Financial liabilities		
Other financial liabilities, at amortised cost	<u>700,074</u>	<u>794,676</u>

29. Events after the reporting period

29.1 Acquisition of Patceljon and Jo-L

The Company had entered into agreements for the acquisition in the equity interest of Patceljon and Jo-L which were not completed as at 30 June 2018. The management determined that the Group obtained control over Patceljon and Jo-L after the end of reporting period and recognised them as subsidiaries.

The Company is in the midst of finalising the purchase price allocation report of this acquisition. Accordingly, no disclosure on the effect of the acquisitions have been made under the requirements of SFRS(I) 3 *Business Combinations* as the fair values of the net assets of the acquirees are not determinable as at the date of this report.

If the combination had taken place at the beginning of the financial period ended 30 June 2018, the Group's revenue for the financial period would have been \$4,941,049 and profit would have been \$1,316,811.

29.2 Acquisition of remaining equity interest of 50%, 40% and 40% in AccTax, Patceljon and Jo-L

On 5 November 2018, the Company entered into restructuring agreement to acquire the remaining equity interest of 50%, 40% and 40% in AccTax, Patceljon and Jo-L respectively. The consideration of \$2,190,000 were satisfied by the allotment and issue of 1,566 ordinary shares at price of approximately \$1,398 each to Vendors.

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

29. Events after the reporting period (Continued)

29.3 Right of first refusal agreement over entire issued and paid-up share capital of Ark Leadership & Learning Pte. Ltd. (“Ark Leadership”)

On 12 November 2018, the Company entered into an agreement with Ark Leadership & Learning Pte. Ltd. (“Ark Leadership”) and obtained a right of first refusal in relation to the entire issued and paid-up share capital of Ark Leadership.

29.4 On 9 November 2018, the shareholders of the Company approved, *inter alia*, the following:

- (a) adoption of the new Constitution;
- (b) the sub-division of existing issued share capital of the Company into 5,590 shares in the issued share capital of the Company (“Share Spilt”);
- (c) the issue and allotment of the 26,000,000 placement shares which are subject to placement, which when allotted, issued and fully paid, will rank *pari passu* in all respects with the existing issued ordinary shares;
- (d) the allotment and issue of the 1,200,000 shares to Novus Corporate Finance Pte. Ltd. (“NCF”) in part satisfaction of their professional fees;
- (e) the adoption of the performance share plan (“PSP”);
- (f) the adoption of the Share Option Scheme;
- (g) the authority be given to the Directors of the Company to allot and issue shares upon the grant of awards under the PSP and the exercise of all options (including the allotment of shares arising from the exercise of the options to the selected individuals) granted under the Share Option Scheme;
- (h) the listing and quotation of all the issued ordinary shares (including the placement shares, allotment and issuance of shares to NCF, performance shares and option shares to be issued (if any) on Catalist;
- (i) the authority be given to the Directors of the Company to:
 - (A) (i) issue shares whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require ordinary shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares;
 - (iii) notwithstanding that such authority may have ceased to be in force at the time that Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit,

**NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

29. Events after the reporting period (Continued)

29.4 On 9 November 2018, the shareholders of the Company approved, *inter alia*, the following: (Continued)

- (i) the authority be given to the Directors of the Company to: (Continued)
 - (B) issue shares in pursuance of any Instrument made or granted by the Directors of the Company pursuant to (h)(A)(ii) and/or (h)(A)(iii) above, while such authority was in force (notwithstanding that such issue of shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),
 - (1) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) shall not exceed 100.0% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing Shareholders shall not exceed 50.0% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
 - (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares (including shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of Shares that may be issued shall be based on the total number of issued shares of the Company (excluding treasury shares) immediately after the Placement, after adjusting for: (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities, (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this authority, provided that the options or awards were granted in compliance with the Catalist Rules, and (c) any subsequent bonus issue, consolidation or sub-division of ordinary shares;
 - (3) in exercising such authority, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
 - (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next annual general meeting of the Company or (ii) the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO THE UNAUDITED INTERIM CONDENSED COMBINED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

29. Events after the reporting period (Continued)

29.4 On 9 November 2018, the shareholders of the Company approved, *inter alia*, the following: (Continued)

- (j) that without prejudice to the generality of, pursuant and subject to the approval of the general mandate to issue ordinary shares set out in (g) above, any Director be and is hereby authorised to issue ordinary shares other than on a pro rata basis to the Shareholders, at a discount not exceeding 10.0% of the weighted average price of the ordinary shares for trades done on the SGX-ST for the full Market Day on which the placement or subscription agreement is signed (or if not available, the weighted average price based on the trades done on the preceding Market Day up to the time the placement or subscription agreement is signed), at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided that,
 - (1) in exercising such authority so conferred in this paragraph (i), the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
 - (2) unless revoked or varied by the Company in general meeting, the authority so conferred in this paragraph (h) shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

**APPENDIX C – INDEPENDENT AUDITORS’ ASSURANCE REPORT AND
UNAUDITED *PRO FORMA* COMBINED FINANCIAL INFORMATION OF
MEDINEX LIMITED AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND FOR
THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

**MEDINEX LIMITED
and its subsidiaries**

Unaudited Pro Forma Combined Financial Information
For the financial year ended 31 December 2017 and
For the financial period from 1 January 2018 to 30 June 2018

**INDEPENDENT AUDITORS' ASSURANCE REPORT ON THE COMPILATION OF
UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND FOR
THE FINANCIAL PERIOD FROM 1 JANUARY 2018
TO 30 JUNE 2018**

30 November 2018

The Board of Directors
Medinex Limited
111 Peninsula Plaza,
#23-04 North Bridge Road
Singapore 179098

Report on the compilation of unaudited pro forma combined financial information

We have completed our assurance engagement to report on the compilation of unaudited pro forma combined financial information of Medinex Limited (the "Company") and its subsidiaries (the "Group") by the management. The unaudited pro forma combined financial information consists of the pro forma combined statements of financial position of the Group as at 31 December 2017 and 30 June 2018 respectively, the pro forma combined statements of comprehensive income and pro forma combined statements of cash flows of the Group for the financial year ended 31 December 2017 and for the financial period from 1 January 2018 to 30 June 2018, and related notes as set out on pages C-6 to C-25 of the Offer Document issued by the Company. The applicable criteria on the basis of which the management has compiled the unaudited pro forma combined financial information are described in Note 3.

The unaudited pro forma combined financial information has been compiled by the management to illustrate the impact of the significant events (the "Significant Events") set out in Note 2 on:

- (i) the financial position of the Group as at 31 December 2017 and 30 June 2018 as if the Significant Events had taken place on those dates; and
- (ii) the financial performance and cash flows of the Group for the financial year ended 31 December 2017 and for the financial period from 1 January 2018 to 30 June 2018 respectively as if the Significant Events had taken place on 1 January 2017 and 1 January 2018.

As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the management from the audited combined financial statements for the financial year ended 31 December 2017 on which an audit report has been published and from the unaudited combined financial statements for the financial period from 1 January 2018 to 30 June 2018, on which a review report has been published.

Management's responsibility for the unaudited pro forma combined financial information

Management is responsible for compiling the unaudited pro forma combined financial information on the basis as described in Note 3.

**INDEPENDENT AUDITORS' ASSURANCE REPORT ON THE COMPILATION OF
UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND FOR
THE FINANCIAL PERIOD FROM 1 JANUARY 2018
TO 30 JUNE 2018 (Continued)**

**Report on the compilation of unaudited pro forma combined financial information
(Continued)**

Our independence and quality control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma combined financial information has been compiled, in all material respects, by the management on the basis of the as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements ("SSAE") 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditors plan and perform procedures to obtain reasonable assurance about whether the management has compiled, in all material respects, the unaudited pro forma combined financial information on the basis of the applicable criteria as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma combined financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma combined financial information.

The purpose of unaudited pro forma combined financial information included in the Offer Document is solely to illustrate the impact of the significant event or transaction on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at the respective dates would have been as presented.

**INDEPENDENT AUDITORS' ASSURANCE REPORT ON THE COMPILATION OF
UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND FOR
THE FINANCIAL PERIOD FROM 1 JANUARY 2018
TO 30 JUNE 2018 (Continued)**

**Report on the compilation of unaudited pro forma combined financial information
(Continued)**

Auditors' responsibilities (Continued)

A reasonable assurance engagement to report on whether the unaudited pro forma combined financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the management in the compilation of the unaudited pro forma combined financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma combined financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgement, having regard to the auditors' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma combined financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma combined financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) The unaudited pro forma combined financial information has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited combined financial statements, which are in accordance with Singapore Financial Reporting Standards and as modified by the adoption of Singapore Financial Reporting Standards (International);
 - (ii) on the basis of the applicable criteria stated in Note 3 of the unaudited pro forma combined financial information; and
- (b) each material adjustment made to the information used in the preparation of the unaudited pro forma combined financial information is appropriate for the purpose of preparing such unaudited combined financial information.

**INDEPENDENT AUDITORS' ASSURANCE REPORT ON THE COMPILATION OF
UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND FOR
THE FINANCIAL PERIOD FROM 1 JANUARY 2018
TO 30 JUNE 2018 (Continued)**

**Report on the compilation of unaudited pro forma combined financial information
(Continued)**

Restriction on distribution and use

This report is made solely to you as a body and for inclusion in the Offer Document to be issued in connection with the proposed initial public offering of ordinary shares of the Company on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore

Leong Hon Mun Peter
Partner-in-charge

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 AND 30 JUNE 2018**

	31 December 2017	30 June 2018
	\$	\$
ASSETS		
Non-current assets		
Plant and equipment	106,641	93,046
Intangible assets	5,709,385	5,629,533
Available-for-sale financial assets	544	544
	<u>5,816,570</u>	<u>5,723,123</u>
Current assets		
Inventories	452,361	515,491
Trade and other receivables	1,295,130	1,149,200
Prepayments	14,846	15,824
Fixed deposit	1,600,000	400,000
Cash and bank balances	2,176,437	2,976,803
	<u>5,538,774</u>	<u>5,057,318</u>
Total assets	<u><u>11,355,344</u></u>	<u><u>10,780,441</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	7,815,722	7,815,722
Retained earnings	871,134	1,809,615
Total equity	<u>8,686,856</u>	<u>9,625,337</u>
Non-current liabilities		
Finance lease payables	1,947	5,748
Deferred tax liabilities	7,362	17,245
	<u>9,309</u>	<u>22,993</u>
Current liabilities		
Trade and other payables	2,553,809	965,699
Finance lease payables	34,594	17,278
Current income tax payable	70,776	149,134
	<u>2,659,179</u>	<u>1,132,111</u>
Total liabilities	<u>2,668,488</u>	<u>1,155,104</u>
Total equity and liabilities	<u><u>11,355,344</u></u>	<u><u>10,780,441</u></u>

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**UNAUDITED PRO FORMA COMBINED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

	1 January 2017 to 31 December 2017	1 January 2018 to 30 June 2018
	\$	\$
Revenue	5,473,428	4,941,049
<i>Other items of income</i>		
Other income	55,671	43,405
<i>Items of expense</i>		
Changes in inventories	(10,297)	63,130
Inventories and consumables	(1,234,731)	(1,706,842)
Employee benefits expense	(2,082,933)	(1,371,381)
Depreciation and amortisation expenses	(64,055)	(35,629)
Other expenses	(764,332)	(516,719)
Finance costs	(3,059)	(1,395)
Profit before income tax	1,369,692	1,415,618
Income tax expense	(62,417)	(102,775)
Profit for the financial year/period, representing total comprehensive income for the financial year/period	1,307,275	1,312,843
Earnings per share⁽¹⁾		
– Basic and diluted	1.26	1.26

Note:

- ⁽¹⁾ The calculations of pro forma basic and diluted earnings per share is based on profit attributable to owners of the Company for the financial year ended 31 December 2017 and financial period ended 30 June 2018, and a weighted-average number of pre-placement share capital after adjustment for the effects of all dilutive potential ordinary shares of 104,007,540.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

	1 January 2017 to 31 December 2017	1 January 2018 to 30 June 2018
	\$	\$
Operating activities		
Profit before income tax	1,369,692	1,415,618
Adjustments for:		
Amortisation of intangible assets	17,186	14,422
Allowance for impairment loss on doubtful trade receivables	6,519	8,399
Bad debts written-off	48,021	—
Investment written-off	19,566	—
Depreciation of plant and equipment	46,869	21,207
Interest income	(325)	(10,767)
Interest expense	3,059	1,395
Operating cash flows before working capital changes	1,510,587	1,450,274
Inventories	10,297	(63,130)
Trade and other receivables	(18,584)	458,407
Trade and other payables	128,590	(431,200)
Prepayments	(9,559)	(977)
Cash generated from operations	1,621,331	1,413,374
Income tax paid	(45,900)	(26,608)
Net cash from operating activities	1,575,431	1,386,766
Investing activities		
Acquisition of subsidiaries under common control	(20,000)	—
Acquisition of subsidiaries, net of cash acquired	842,349	(1,041,372)
Purchase of plant and equipment	(2,105)	(7,611)
Interest received	325	10,767
Net cash from/(used in) investing activities	820,569	(1,038,216)

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

	1 January 2017 to 31 December 2017	1 January 2018 to 30 June 2018
	\$	\$
Financing activities		
Advances from Directors	58,595	2,559
Proceeds from issuance of shares	2,048,000	–
Repayment from former director	94,506	–
Repayment to Director	(34,884)	(26,270)
Repayment of term loan	(419,612)	–
Repayment of finance lease	(16,878)	(13,515)
Dividends paid	(760,000)	–
Interest paid	(3,059)	(1,395)
Net cash from/(used in) financing activities	966,668	(38,621)
Net change in cash and cash equivalents	3,362,668	309,929
Cash and cash equivalents at beginning of financial year/period	413,769	3,066,874
Cash and cash equivalents at end of financial year/period	3,776,437	3,376,803

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017**

As At 31 December 2017

	Audited combined statement of financial position \$	Unaudited pro forma adjustments Note 4 \$		Unaudited pro forma combined statement of financial position \$
ASSETS				
Non-current assets				
Plant and equipment	96,077	10,564	(iii), (iv)	106,641
Intangible assets	2,439,594	3,269,791	(ii), (iii), (iv)	5,709,385
Available-for-sale financial assets	—	544	(iv)	544
	<u>2,535,671</u>			<u>5,816,570</u>
Current assets				
Inventories	452,361			452,361
Trade and other receivables	949,763	345,367	(i), (iii), (iv)	1,295,130
Prepayments	7,170	7,676	(iii), (iv)	14,846
Fixed deposit	1,600,000			1,600,000
Cash and bank balances	1,466,874	709,563	(iii), (iv)	2,176,437
	<u>4,476,168</u>			<u>5,538,774</u>
Total assets	<u><u>7,011,839</u></u>			<u><u>11,355,344</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital	5,627,237	2,188,485	(iii), (iv)	7,815,722
Retained earnings	482,283	388,851	(i), (iii), (iv)	871,134
Total equity	<u>6,109,520</u>			<u>8,686,856</u>
Non-current liabilities				
Finance lease payables	1,947			1,947
Deferred tax liabilities	8,409	(1,047)	(iii), (iv)	7,362
	<u>10,356</u>			<u>9,309</u>
Current liabilities				
Trade and other payables	813,531	1,740,278	(iii), (iv)	2,553,809
Finance lease payables	23,401	11,193	(iii)	34,594
Current income tax payable	55,031	15,745	(i), (iv)	70,776
	<u>891,963</u>			<u>2,659,179</u>
Total liabilities	<u>902,319</u>			<u>2,668,488</u>
Total equity and liabilities	<u><u>7,011,839</u></u>			<u><u>11,355,344</u></u>

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

As At 30 June 2018

	Unaudited interim condensed combined statement of financial position \$	Unaudited pro forma adjustments Note 4 \$		Unaudited pro forma combined statement of financial position \$
ASSETS				
Non-current assets				
Plant and equipment	92,022	1,024	(iv)	93,046
Intangible assets	2,823,698	2,805,835	(iv), (v)	5,629,533
Available-for-sale financial assets	–	544	(iv)	544
Advance payments	1,079,077	(1,079,077)	(iv)	–
	<u>3,994,797</u>			<u>5,723,123</u>
Current assets				
Inventories	515,491			515,491
Trade and other receivables	1,033,864	115,336	(iv)	1,149,200
Prepayments	14,828	996	(iv)	15,824
Fixed deposit	400,000			400,000
Cash and bank balances	2,384,157	592,646	(iv)	2,976,803
	<u>4,348,340</u>			<u>5,057,318</u>
Total assets	<u>8,343,137</u>			<u>10,780,441</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	5,627,237	2,188,485	(iv), (v)	7,815,722
Retained earnings	1,552,591	257,024	(iv)	1,809,615
Equity attributable to owners of the Company	<u>7,179,828</u>			<u>9,625,337</u>
Non-controlling interests	42,199	(42,199)	(v)	–
Total equity	<u>7,222,027</u>			<u>9,625,337</u>
Non-current liabilities				
Finance lease payables	5,748			5,748
Deferred tax liabilities	14,015	3,230	(iv)	17,245
	<u>19,763</u>			<u>22,993</u>
Current liabilities				
Trade and other payables	946,795	18,904	(iv)	965,699
Finance lease payables	17,278			17,278
Current income tax payable	137,274	11,860	(iv)	149,134
	<u>1,101,347</u>			<u>1,132,111</u>
Total liabilities	<u>1,121,110</u>			<u>1,155,104</u>
Total equity and liabilities	<u>8,343,137</u>			<u>10,780,441</u>

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

For The Financial Year from 1 January 2017 to 31 December 2017

	Audited combined statement of comprehensive income \$	Unaudited pro forma adjustments Note 4 \$		Unaudited pro forma combined statement of comprehensive income \$
Revenue	3,043,537	2,429,891	(i), (ii), (iii), (iv)	5,473,428
<i>Other items of income</i>				
Other income	16,850	38,821	(ii), (iii), (iv)	55,671
<i>Items of expense</i>				
Changes in inventories	(40,082)	29,785	(ii)	(10,297)
Inventories and consumables	(449,994)	(784,737)	(ii)	(1,234,731)
Employee benefits expense	(1,165,168)	(917,765)	(ii), (iii), (iv)	(2,082,933)
Depreciation and amortisation expenses	(29,007)	(35,048)	(ii), (iii), (iv)	(64,055)
Other expense	(372,249)	(392,083)	(i), (ii), (iii), (iv)	(764,332)
Finance costs	(1,396)	(1,663)	(ii), (iii)	(3,059)
Profit before income tax	1,002,491			1,369,692
Income tax expense	(56,152)	(6,265)	(i), (ii), (iii), (iv)	(62,417)
Profit for the financial year, representing total comprehensive income for the financial year	946,339			1,307,275
Earnings per share				
– Basic and diluted	0.91			1.26

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

For The Financial Period from 1 January 2018 to 30 June 2018

	Unaudited interim condensed combined statement of comprehensive income \$	Unaudited pro forma adjustments Note 4 \$		Unaudited pro forma combined statement of comprehensive income \$
Revenue	4,459,150	481,899	(iv)	4,941,049
Other items of income				
Other income	43,405			43,405
Items of expense				
Changes in inventories	63,130			63,130
Inventories and consumables	(1,706,842)			(1,706,842)
Employee benefits expense	(1,208,034)	(163,347)	(iv)	(1,371,381)
Depreciation and amortisation expenses	(30,729)	(4,900)	(iv)	(35,629)
Other expense	(440,121)	(76,598)	(iv)	(516,719)
Finance costs	(1,395)			(1,395)
Profit before income tax	1,178,564			1,415,618
Income tax expense	(103,274)	499	(iv)	(102,775)
Profit for the financial period, representing total comprehensive income for the financial period	<u>1,075,290</u>			<u>1,312,843</u>
Profit and total comprehensive income attributable to:				
Owners of the Company	1,056,962	255,881	(iv), (v)	1,312,843
Non-controlling interests	18,328	(18,328)	(v)	—
	<u>1,075,290</u>			<u>1,312,843</u>
Earnings per share				
– Basic and diluted	<u>1.02</u>			<u>1.26</u>

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

For The Financial Year from 1 January 2017 to 31 December 2017

	Audited combined statement of cash flows	Unaudited pro forma adjustments Note 4		Unaudited pro forma combined statement of cash flows
	\$	\$		\$
Operating activities				
Profit before income tax	1,002,491	367,201	(i), (ii), (iii), (iv)	1,369,692
Adjustments for:				
Amortisation of intangible assets	933	16,253	(ii), (iii), (iv)	17,186
Allowance for impairment loss on doubtful trade receivables	—	6,519	(i)	6,519
Bad debts written-off	30,234	17,787	(iii)	48,021
Investment written-off	—	19,566	(iv)	19,566
Depreciation of plant and equipment	28,074	18,795	(ii), (iii), (iv)	46,869
Interest income	(325)			(325)
Interest expense	1,396	1,663	(ii), (iii)	3,059
Operating cash flows before working capital changes	1,062,803			1,510,587
Inventories	(40,082)	50,379	(ii)	10,297
Trade and other receivables	(53,124)	34,540	(i), (ii), (iii), (iv)	(18,584)
Trade and other payables	190,571	(61,981)	(ii), (iii), (iv)	128,590
Prepayments	4,809	(14,368)	(ii), (iii), (iv)	(9,559)
Cash generated from operations	1,164,977			1,621,331
Income tax paid	(36,061)	(9,839)	(iv)	(45,900)
Net cash from operating activities	1,128,916			1,575,431
Investing activities				
Acquisition of subsidiaries under common control	(20,000)			(20,000)
Acquisition of subsidiaries, net of cash acquired	567,539	274,810	(ii), (iii), (iv)	842,349
Purchase of plant and equipment	—	(2,105)	(iii), (iv)	(2,105)
Interest received	325			325
Net cash from investing activities	547,864			820,569

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

For The Financial Year from 1 January 2017 to 31 December 2017

	Audited combined statement of cash flows	Unaudited pro forma adjustments Note 4		Unaudited pro forma combined statement of cash flows
	\$	\$		\$
Financing activities				
Advances from director	58,595			58,595
Proceeds from issuance of shares	2,048,000			2,048,000
Repayment from former director	94,506			94,506
Repayment to director	(34,884)			(34,884)
Repayment of term loan	(419,612)			(419,612)
Repayment of finance lease	(8,884)	(7,994)	(ii)	(16,878)
Dividends paid	(760,000)			(760,000)
Interest paid	(1,396)	(1,663)	(ii), (iii)	(3,059)
Net cash from financing activities	976,325			966,668
Net change in cash and cash equivalents	2,653,105	709,563	(ii), (iii), (iv)	3,362,668
Cash and cash equivalents at beginning of financial year	413,769			413,769
Cash and cash equivalents at end of financial year	3,066,874			3,776,437

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

For The Financial Period from 1 January 2018 to 30 June 2018

	Unaudited interim condensed combined statement of cash flows \$	Unaudited pro forma adjustment Noted 4 \$		Unaudited pro forma combined statement of cash flows \$
Operating activities				
Profit before income tax	1,178,564	237,054	(iv)	1,415,618
Adjustments for:				
Amortisation of intangible assets	9,955	4,467	(iv)	14,422
Allowance for impairment loss on doubtful trade receivables	8,399			8,399
Depreciation of plant and equipment	20,774	433	(iv)	21,207
Interest income	(10,767)			(10,767)
Interest expense	1,395			1,395
Operating cash flows before working capital changes	1,208,320			1,450,274
Inventories	(63,130)			(63,130)
Trade and other receivables	328,267	130,140	(iv)	458,407
Trade and other payables	(242,559)	(188,641)	(iv)	(431,200)
Prepayments	(3,242)	2,265	(iv)	(977)
Cash generated from operations	1,227,656			1,413,374
Income tax paid	(26,608)			(26,608)
Net cash from operating activities	1,201,048			1,386,766
Investing activities				
Acquisition of subsidiaries, net of cash acquired	(369,691)	(671,681)	(iv)	(1,041,372)
Advance payments for investments	(1,079,077)	1,079,077	(iv)	–
Purchase of plant and equipment	(7,143)	(468)	(iv)	(7,611)
Interest received	10,767			10,767
Net cash used in investing activities	(1,445,144)			(1,038,216)

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA COMBINED
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

For The Financial Period from 1 January 2018 to 30 June 2018

	Unaudited interim condensed combined statement of cash flows \$	Unaudited pro forma adjustment Noted 4 \$		Unaudited pro forma combined statement of cash flows \$
Financing activities				
Advances from director	2,559			2,559
Repayment to director	(26,270)			(26,270)
Repayment of finance lease	(13,515)			(13,515)
Interest paid	(1,395)			(1,395)
Net cash used in financing activities	(38,621)			(38,621)
Net change in cash and cash equivalents	(282,717)	592,646	(iv)	309,929
Cash and cash equivalents at beginning of financial period	3,066,874			3,066,874
Cash and cash equivalents at end of financial period	2,784,157			3,376,803

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018**

1. General corporate information

Medinex Limited (the “Company”) is a private limited company, incorporated and domiciled in Singapore with its registered office and principal place of business at 111 North Bridge Road #23-04 Peninsula Plaza Singapore 179098. The registration number of the Company is 200900689W.

The principal activity of the Company is to provide business and management consultancy services to the medical sector.

2. Significant events

Save for the following significant events relating to the acquisitions (the “Significant Events”), the Directors of the Company, as at the date of this report, are not aware of any significant acquisitions or disposals of assets which have occurred since 1 January 2018 and any significant changes made to the capital structure of the Company subsequent to 31 December 2017:

- (i) On 5 January 2018, the Company entered into a sale and purchase agreement, pursuant to which the Company acquired 50% equity interest in AccTax Management Consultancy Private Limited (“AccTax”). The consideration for the acquisition amounted to \$375,000, of which was satisfied in full by cash.
- (ii) On 15 June 2018, the Company entered into a sale and purchase agreement, pursuant to which the Company acquired 60% equity interest of Patceljon Professional Services Pte. Ltd. (“Patceljon”) and Jo-L Consultus Pte. Ltd. (“Jo-L”). The consideration for the acquisition amounted to \$993,771 and \$85,396 respectively, of which was satisfied in full by cash.
- (iii) On 5 November 2018, the Company entered into the Restructuring Agreement to acquire the remaining issued and paid-up share capitals of AccTax, Patceljon and Jo-L, pursuant to which AccTax, Patceljon and Jo-L became wholly-owned subsidiaries of the Company.

3. Basis of preparation of the unaudited pro forma combined financial information

The Group in this unaudited pro forma combined financial information relates to the companies referred to in the entities within Medinex Limited and its subsidiaries (the “Group”) subsequent to the Restructuring Exercise as referred to the Offer Document.

The unaudited pro forma combined financial information are presented in Singapore dollar (\$) except where otherwise indicated.

The unaudited pro forma combined financial information is based on the following:

- Audited combined financial statements of Medinex Limited and its subsidiaries for the financial years ended 31 December 2015, 2016 and 2017, which have been prepared in accordance with Singapore Financial Reporting Standards.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

3. Basis of preparation of the unaudited pro forma combined financial information (Continued)

The audited combined financial statements of Medinex Limited and its subsidiaries for the financial years ended 31 December 2015, 2016 and 2017 were audited by BDO LLP in accordance with Singapore Standards on Auditing. The independent auditors' report relating to the auditing of the financial statements was not subject to any qualification.

- Unaudited interim condensed combined financial statements of Medinex Limited and its subsidiaries for the financial period from 1 January 2018 to 30 June 2018, which have been prepared by management in accordance with Singapore Financial Reporting Standard (International) 34, *Interim Financial Reporting*.

The unaudited interim condensed combined financial statements of Medinex Limited and its subsidiaries for the financial period from 1 January 2018 to 30 June 2018 were reviewed by BDO LLP in accordance with Singapore Standards on Review Engagements 2410, *Review of Interim Financial In Financial Information Performed by the Independent Auditor of the Entity* ("SSRE 2410"). The independent auditors' report relating to the review of unaudited interim condensed combined financial statements was not subject to any qualification.

- The unaudited management accounts of AccTax, Patceljon and Jo-L for the financial year ended 31 December 2017 and for the financial period from 1 January 2018 to 30 June 2018, which have been prepared in accordance with Singapore Financial Reporting Standard.

The unaudited pro forma combined financial information is prepared using the same accounting policies as the audited combined financial statements of the Group except for those were modified upon the adoption of SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS (I) 15") and SFRS(I) 9 *Financial Instruments* ("SFRS (I) 9") that are effective for financial year beginning 1 January 2018 which are disclosed in Note 3 to the unaudited interim condensed combined financial statements for the financial period from 1 January 2018 to 30 June 2018.

The unaudited pro forma combined financial information for the financial year ended 31 December 2017 and for financial period from 1 January 2018 to 30 June 2018 are prepared for illustrative purposes only. These are prepared based on certain assumptions and after making certain adjustments to show what:

- the financial position of the Group as at 31 December 2017 and 30 June 2018 respectively would have been if the Significant Events had taken place on 1 January 2017 and 1 January 2018 respectively; and
- the financial performance and cash flows of the Group for the financial year ended 31 December 2017 and for the financial period from 1 January 2018 to 30 June 2018 respectively would have been if the Significant Events discussed in Note 2 had taken place on 1 January 2017 and 1 January 2018 respectively.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

3. Basis of preparation of the unaudited pro forma combined financial information (Continued)

Based on the assumptions discussed above, the material adjustments as set out in Note 4 have been made to the audited combined financial statements of the Group in arriving at the unaudited pro forma combined financial information.

The unaudited pro forma combined financial information, because of their nature, is not necessarily indicative of the results of the operations, cash flows or the related effects on the financial position that would have been attained had the Significant Events actually occurred earlier. Save as disclosed in the explanatory notes, the Directors of the Company, for the purposes of preparing this set of unaudited pro forma combined financial information, have not considered the effects of the other events.

4. Pro forma adjustments

The following pro forma adjustments were made assuming transactions taken place on 1 January 2017 and 1 January 2018 respectively:

- (i) Inclusion in pro forma financial information for the financial year ended 31 December 2017, the effect of adoption of SFRS (I) 15 and SFRS (I) 9 from the beginning of the financial year ended 31 December 2017.
- (ii) Inclusion in pro forma financial information for the financial year ended 31 December 2017, had the Company entered into a sale and purchase agreement and restructuring agreement, pursuant to which the Company acquired 100% equity interest in Nex Healthcare Pte. Ltd. ("Nex"). The consideration for the acquisition amounted to approximately \$3,569,000 which are fully satisfied by way of issuance of the 4,053 ordinary shares at issue price of approximately \$881 each.

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

4. Pro forma adjustments (Continued)

The following pro forma adjustments were made assuming transactions taken place on 1 January 2017 and 1 January 2018 respectively: (Continued)

(ii) (Continued)

For the purpose of pro forma financial information, the goodwill amount has been computed based on the net assets of Nex as at 5 July 2017, as follows:

	5 July 2017⁽¹⁾
	\$
Plant and equipment	79,226
Trade and other receivables	591,169
Prepayments	2,789
Inventories	462,658
Cash and bank balances	459,753
Total assets	<u>1,595,595</u>
Trade and other payables	(583,758)
Finance lease payables	(42,226)
Total liabilities	<u>(625,984)</u>
Net identifiable assets at fair value	969,611
Fair value of consideration transferred	<u>(3,569,235)</u>
Goodwill arising from acquisition	<u><u>(2,599,624)</u></u>

⁽¹⁾ Being unaudited pro forma adjustments to reflect the acquisition of Nex as if it had occurred on 5 July 2017. Nex was incorporated on 5 July 2017 and had on that, acquired assets and liabilities through business transfer agreement. The carrying amounts of the assets acquired and liabilities assumed on 5 July 2017 are assumed to approximate their fair values.

The effect of acquisition of Nex on the unaudited pro forma combined statement of cash flows for the financial year ended 31 December 2017 was as follows:

	\$
Total purchase consideration	3,569,235
Less: Non-cash consideration	(3,569,235)
Less: Cash and cash equivalents of subsidiary acquired	<u>(459,753)</u>
Net cash inflow on acquisition	<u><u>(459,753)</u></u>

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

4. Pro forma adjustments (Continued)

The following pro forma adjustments were made assuming transactions taken place on 1 January 2017 and 1 January 2018 respectively: (Continued)

- (iii) Inclusion in pro forma financial information for the financial year ended 31 December 2017, where the Company entered into a sale and purchase agreement and restructuring agreement, pursuant to which the Company acquired 100% equity interest in AccTax. The consideration for the acquisition amounted to \$1,124,060, which \$375,000 was satisfied in cash and the remaining of are satisfied by way of issuance of the 536 ordinary shares at price of \$0.25 each.

For the purpose of pro forma financial information, the goodwill amount has been computed based on the net assets of AccTax as at 1 January 2017, as follows:

	1 January 2017⁽¹⁾
	\$
Plant and equipment	22,520
Intangible assets	24,755
Trade and other receivables	105,014
Cash and bank balances	8,101
Total assets	<u>160,390</u>
Trade and other payables	(94,755)
Finance lease payables	(17,640)
Deferred tax liabilities	(4,208)
Total liabilities	<u>(116,603)</u>
Net identifiable assets at fair value	43,787
Fair value of consideration transferred	<u>(1,124,060)</u>
Goodwill arising from acquisition	<u>(1,080,273)</u>

- ⁽¹⁾ Being unaudited pro forma adjustments to reflect the acquisition of AccTax as if it had occurred on 1 January 2017. The carrying amounts of the assets acquired and liabilities assumed on 1 January 2017 are assumed to approximate their fair values except for intangible assets which the management had assessed at approximately \$24,000 at beginning of the financial period.

The effect of acquisition of AccTax on the unaudited pro forma combined statement of cash flows for the financial year ended 31 December 2017 was as follows:

	\$
Total purchase consideration	1,124,060
Less: Non-cash consideration	(749,060)
Less: Cash and cash equivalents of subsidiary acquired	(8,101)
Less: Consideration payable	<u>(375,000)</u>
Net cash inflow on acquisition	<u>(8,101)</u>

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

4. Pro forma adjustments (Continued)

The following pro forma adjustments were made assuming transactions taken place on 1 January 2017 and 1 January 2018 respectively: (Continued)

- (iv) Inclusion in pro forma financial information for the financial year ended 31 December 2017 and for the financial period from 1 January 2018 to 30 June 2018, where the Company entered into a sale and purchase agreement and restructuring agreement, pursuant to which the Company acquired 100% equity interest of Patceljon and Jo-L. The consideration for the acquisition amounted to \$2,313,021 and \$205,481 respectively, of which \$1,079,077 was satisfied in cash and the remaining of are satisfied by way of issuance of 944 and 86 ordinary shares at price of approximately \$1,398 each.

For the purpose of pro forma financial information, the goodwill amount has been computed based on the net assets of Patceljon and Jo-L as at 1 January 2017 and 1 January 2018 respectively, as follows:

	1 January 2017⁽¹⁾	1 January 2018⁽¹⁾
	\$	\$
Plant and equipment	1,613	989
Available-for-sale financial asset	20,110	544
Intangible assets	35,737	35,737
Trade and other receivables	192,770	248,393
Cash and bank balances	374,495	407,396
Total assets	624,725	693,059
Trade and other payables	(86,329)	(220,105)
Deferred tax liabilities	(6,075)	(6,075)
Total liabilities	(92,404)	(226,180)
Net identifiable assets at fair value	532,321	466,879
Fair value of consideration transferred	(2,518,502)	(2,518,502)
Goodwill arising from acquisition	(1,986,181)	(2,051,623)

⁽¹⁾ Being unaudited pro forma adjustments to reflect the acquisition of Patceljon and Jo-L as if it had occurred on 1 January 2017 and 1 January 2018. The carrying amounts of the assets acquired and liabilities assumed on 1 January 2017 and 1 January 2018 are assumed to approximate their fair values respectively except for intangible assets which the management had assessed at approximately \$35,000 at beginning of the financial period.

**MEDINEX LIMITED
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**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

4. Pro forma adjustments (Continued)

The following pro forma adjustments were made assuming transactions taken place on 1 January 2017 and 1 January 2018 respectively: (Continued)

(iv) (Continued)

The effect of acquisition of Patceljon and Jo-L on the unaudited pro forma combined statement of cash flows for the financial year ended 31 December 2017 and for the period from 1 January 2018 to 30 June 2018 was as follows:

	Year ended 31 December 2017	Period from 1 January 2018 to 30 June 2018
Total purchase consideration	2,518,502	2,518,502
Less: Non-cash consideration	(1,439,425)	(1,439,425)
Less: Consideration payable	(1,079,077)	—
Less: Cash and cash equivalents of subsidiaries acquired	(374,495)	(407,396)
Net cash (inflow)/outflow on acquisition	<u>(374,495)</u>	<u>671,681</u>

- (v) Inclusion in pro forma financial information for the financial period from 1 January 2018 to 30 June 2018, where the Company entered into a restructuring agreement, pursuant to which the Company further acquired 50% equity interest in AccTax. The consideration for the step acquisition amounted to \$749,060, which will be satisfied by way of issuance of the 536 ordinary shares at price of approximately \$1,398 each.

For the purpose of pro forma financial information, the goodwill amount has been computed based on the fair values of the identifiable assets and liabilities of AccTax assisted by external valuer as at the date of acquisition were:

	\$
Plant and equipment	9,576
Intangible assets	42,930
Trade and other receivables	81,959
Prepayments	4,416
Cash and cash equivalents	5,309
Total assets	<u>144,190</u>
Trade and other payables	(77,956)
Finance lease payables	(11,193)
Deferred tax liabilities	(7,298)
Total liabilities	<u>(96,447)</u>
Net identifiable assets at fair value	47,743
Fair value of consideration paid	<u>(1,124,060)</u>
Goodwill arising from acquisition	<u>(1,076,317)</u>

**MEDINEX LIMITED
AND ITS SUBSIDIARIES**

**NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018 (Continued)**

4. Pro forma adjustments (Continued)

The following pro forma adjustments were made assuming transactions taken place on 1 January 2017 and 1 January 2018 respectively: (Continued)

(v) (Continued)

The effect of acquisition of AccTax on the unaudited pro forma combined statement of cash flows for the financial period ended 30 June 2018 was as follows:

	\$
Total purchase consideration	1,124,060
Less: Non-cash consideration	(749,060)
Less: Cash and cash equivalents of subsidiary acquired	<u>(5,309)</u>
Net cash outflow on acquisition	<u><u>369,691</u></u>

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APPENDIX D – SELECTED EXTRACTS OF OUR CONSTITUTION

The discussion below provides information about certain provisions of our Constitution and certain aspects of Singapore company law. This description is only a summary and is qualified by reference to the Companies Law and our Constitution.

REGISTRATION NUMBER

We are registered in Singapore with ACRA. Our company registration number is 200900689W.

SUMMARY OF OUR CONSTITUTION

1. Directors

(a) Ability of interested directors to vote

A Director shall not vote in regard to any contract, arrangement or transaction, or proposed contract, arrangement or transaction in which he has directly or indirectly a personal material interest, or in respect of any allotment of shares or debentures of our Company to him.

(b) Remuneration

Fees payable to Non-executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of our Company) and shall from time to time be determined by our Company in general meeting. Fees payable to Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who is appointed to any executive office, or who serves on any committee, or who otherwise performs or render services outside the ordinary duties as a Director, may be paid extra remuneration as our Directors may determine.

The remuneration of a Chief Executive Officer/MD (or an equivalent appointment) shall from time to time be fixed by our Directors and may, subject to our Constitution, be by way of salary or commission or participation in profits or by any or all of these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover. Our Directors shall have power to pay a gratuity or other retirement, superannuation, death or disability benefits to any Director or former Director who had held any other salaried office or place of profit (or to any person in respect of) and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

There are no specific provisions in our Constitution relating to a Director's power to vote on remuneration (including pension or other benefits) for himself or for any other Director, and whether the quorum at the meeting of our Board of Directors to vote on Directors' remuneration may include the Director whose remuneration is the subject of the vote.

(c) Borrowing

Our Directors may at their discretion exercise all the powers of our Company to raise or borrow money, to mortgage, charge or hypothecate all or any property or business of our Company, including any uncalled capital or called but unpaid capital, and to secure any debt, liability or obligation of our Company or any third party.

APPENDIX D – SELECTED EXTRACTS OF OUR CONSTITUTION

(d) Retirement Age Limit

There is no retirement age limit for Directors under our Constitution.

(e) Shareholding Qualification

There is no shareholding qualification for Directors in our Constitution.

2. Share rights and restrictions

We currently have one (1) class of shares, namely, ordinary shares. Only persons who are registered on our register of shareholders are recognised as our shareholders. In cases where the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the ordinary shares are recognised as our Shareholders.

(a) Dividends and distribution

We may, by ordinary resolution of our shareholders, declare dividends at a general meeting. We must pay all dividends out of profits available for distribution. We may capitalise any sum standing to the credit of any of our Company's reserve accounts and apply it to pay dividends, if such dividends are satisfied by the issue of shares to our shareholders. All dividends in respect of shares must be paid in proportion to the number of shares held by our shareholder but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

The payment by our Directors of any unclaimed dividends or other monies payable on or in respect of a share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by our Directors for the benefit of our Company. Any dividend unclaimed after a period of six (6) years after having been declared may be forfeited and shall revert to our Company but our Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

Our Directors may retain any dividends or other monies payable on or in respect of a share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(b) Voting rights

A holder of our ordinary shares is entitled to attend and vote at any general meeting, in person or by proxy or attorney, and (in the case of a corporation) by a representative. A proxy or attorney need not be a shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting if his name is certified by CDP as appearing on the Depository Register

APPENDIX D – SELECTED EXTRACTS OF OUR CONSTITUTION

maintained by CDP at least 72 hours before the general meeting. Except as otherwise provided in our Constitution, two (2) or more shareholders must be present in person or by proxy, attorney, and (in the case of a corporation) by a representative, to constitute a quorum at any general meeting. At a general meeting, all resolutions put to the vote of the general meeting shall be decided by way of poll. Every shareholder present in person or by proxy or attorney, and (in the case of a corporation) by a representative shall have one (1) vote for each share which he holds or represents. In the case of equality of votes, the Chairman of the meeting shall be entitled to a casting vote.

3. Change in capital

Changes in the share capital of our Company (for example, consolidation, cancellation or sub-division of our shares) require shareholders to pass an ordinary resolution. General meetings at which ordinary resolutions are proposed to be passed shall be called by at least 14 days' notice in writing. The notice must be given to each of our shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. Our Company may by special resolution reduce the share capital of our Company, subject to the conditions prescribed by law.

4. Variation of rights of existing shares or classes of shares

Subject to the Companies Act, whenever the share capital of our Company is divided into different classes, the rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the total voting rights of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of our Constitution relating to general meetings of our Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two (2) persons holding or representing by proxy or attorney at least one-third of the total voting rights of the issued shares of the class, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the total voting rights of the issued shares of the class concerned within two (2) months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting. These provisions shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied or abrogated.

5. Limitations on foreign or non-resident shareholders

There are no limitations imposed by Singapore law or by our Constitution on the rights of our Shareholders who are regarded as non-residents of Singapore, to hold or vote their shares.

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APPENDIX E – LIST OF PRESENT AND PAST DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS

The list of present and past directorships (or equivalent appointments) of each Director over the last five (5) years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
John Tan	<u>Group Companies</u> Nex <u>Other Companies</u> 108 Development Pte. Ltd. Acumen Holdings Pte. Ltd. HSN Healthcare Shine Medi-Capital Shine International Group Pte. Ltd. Shine Venture Capital Pte. Ltd. Shinex Capital	<u>Group Companies</u> – <u>Other Companies</u> Baventures Pte. Ltd. BRC Asia Limited Jing Ma Investment Pte. Ltd. ⁽¹³⁾ Nobel Capital Venture Pte. Ltd. Regal International Group Ltd. ZestStar Events Pte. Ltd. Zhi Ying Language School @ Yishun Pte. Ltd. ⁽¹⁴⁾
Jessie Low	<u>Group Companies</u> – <u>Other Companies</u> Advance Property Holdings Sdn. Bhd. Ark Assurance ⁽¹⁾ Ark Group Holdings Sdn. Bhd. Baby Bear Holdings Sdn. Bhd. Berlin Holdings Pte. Ltd. JK Group (F&B) Pte. Ltd. JK Group Holdings Pte. Ltd. JK Group Holdings Sdn. Bhd. JK Strategic Management Pte. Ltd. JL Property Holdings Pte. Ltd. KJPS Invest Pte. Ltd. L3 Holdings Pte. Ltd. MPM Investment Holdings Pte. Ltd. Nobel Capital Ventures Pte. Ltd. Shine F&B Pte. Ltd.	<u>Group Companies</u> MCS <u>Other Companies</u> Afro-Asia Shipping Company (Private) Limited Ark Advisers ⁽¹⁾⁽³⁾ Ark Advisers Group ⁽¹⁾⁽³⁾ Ark Advisory Pte. Ltd. Ark Alliance LLP ⁽²⁾ Ark Consulting Pte. Ltd. ⁽⁴⁾ Ark Group International Holdings ⁽¹⁾⁽⁶⁾ Ark Group Investment Holdings Pte. Ltd. ⁽⁷⁾ Ascent Engineering & Equipment Pte. Ltd. EA Investment Holdings Pte. Ltd. Goei Nominees (Private) Limited ⁽⁴⁾ Goodrich Investment Holdings Pte. Ltd. Grid MMS Pte. Ltd. H.A.N.D.S. Int'l Pte. Ltd. Hillford Investments Pte. Ltd. HSM City Gate Pte. Ltd. Insight Diagnostics Pte. Ltd. JJ Global Network Pte. Ltd. ⁽⁵⁾ JK Group Services Pte. Ltd.

APPENDIX E – LIST OF PRESENT AND PAST DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS

Name	Present Directorships	Past Directorships
		M&M Investment Holdings Pte. Ltd. ⁽⁸⁾ Robert Wee Nominees (Private) Limited ⁽⁴⁾ Shine Aesthetic ⁽¹⁾⁽⁹⁾ Shine Atelier ⁽¹⁾⁽¹⁰⁾ Shine Boutique ⁽¹⁾⁽¹¹⁾ Shine Cafe ⁽¹⁾⁽¹²⁾ Shine Group Holdings Pte. Ltd. Shine International Group Pte. Ltd. Shine Venture Capital Pte. Ltd. Shine Wellness ⁽¹⁾⁽¹¹⁾ Without Borders Pte. Ltd.
Lim Tai Toon	<u>Group Companies</u> — <u>Other Companies</u> 3DH International Pte. Ltd. Ark Holding Pte. Ltd. Ark Lanka Holding (Private) Limited Food Studio (Private) Limited Food Studio Holding Pte. Ltd. House on the Moon Pte. Ltd. Jiehuimin LLP ⁽²⁾ LS Holdings Pte. Ltd. Medtecs International Corporation Limited The Science Kitchen Asia Inc Pte. Ltd.	<u>Group Companies</u> — <u>Other Companies</u> Afro-Asia Shipping Company (Private) Limited Ark Advisory Pte. Ltd. Ark Ventures Holdings Pte. Ltd. ⁽¹⁹⁾ EA Investment Holdings Pte. Ltd. IJC Holdings Pte. Ltd. ⁽²⁰⁾ Ma Seng Enterprise (Private) Limited Performance Investment Pte. Ltd. S.O.M. Industrial & Commercial Holdings Pte. Ltd. Veles Consulting & Services Pte. Ltd. ⁽¹⁹⁾ Veles Solutions Pte. Ltd. ⁽²¹⁾
San Wee	<u>Group Companies</u> — <u>Other Companies</u> A'cross Property Investments Pte. Ltd. Celebrate Life Holdings Pte. Ltd. ES Nexus Services Pte. Ltd. ⁽²²⁾ ES! Design Associates Pte. Ltd. GIC Thomson Pte. Ltd. Grumpy Bear (KBCC) Pte. Ltd. Grumpy Bear (Macpherson) Pte. Ltd. Grumpy Bear Company Pte. Ltd. Halftime Asia Pte. Ltd.	<u>Group Companies</u> — <u>Other Companies</u> C'ignature Creations Pte. Ltd. ⁽¹⁵⁾ C'ignature Design Pte. Ltd. ⁽¹⁷⁾ C'ignatures Events Pte. Ltd. Dramaestro Pte. Ltd. ESM Investment Holdings Pte. Ltd. ⁽¹⁶⁾ Grid_Synergy Pte. Ltd. Hua Cheng Education Centre (Serangoon) Pte. Ltd. Mastereign A'cademy Pte. Ltd. Mastereign Achievers Pte. Ltd.

APPENDIX E – LIST OF PRESENT AND PAST DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS

Name	Present Directorships	Past Directorships
	HCM Investment Holdings Pte. Ltd.	Mastereign Adventures Pte. Ltd.
	Hua Cheng Bukit Timah Pte. Ltd.	Mastereign Centre of Applied Technology Pte. Ltd.
	Hua Cheng Education Centre Pte Ltd	Mastereign Centre of Performing Arts Pte. Ltd.
	Hua Cheng Global Pte. Ltd.	Mastereign Centre of Performing Arts (Dance) Pte. Ltd.
	Hua Cheng Holdings Pte. Ltd.	Mastereign Centre of Performing Arts (Dance Trainer) Pte. Ltd.
	Hua Cheng Juniors Pte. Ltd.	Mastereign Centre of Performing Arts (Drama) Pte. Ltd.
	Hua Cheng Juniors (Bukit Timah) Pte. Ltd.	Mastereign Centre of Performing Arts (Drama Trainer) Pte. Ltd.
	K & E Cafe Pte. Ltd.	Mastereign Centre of Performing Arts (Music) Pte. Ltd.
	Kingmaker Consultancy Pte. Ltd.	Mastereign Centre of Performing Arts (Music Trainer) Pte. Ltd.
	Kingmaker Holdings Pte. Ltd.	Mastereign Champions Pte. Ltd.
	Learning Point (Bukit Timah) Pte. Ltd.	Mastereign Chinese Language and Cultural Center Pte. Ltd.
	Learning Point (Parkway) Pte. Ltd.	Mastereign Enrichment Pte. Ltd.
	Learning Point (Simei) Pte. Ltd.	Mastereign Film and Multimedia Pte. Ltd.
	Learning Point (Tampines) Pte. Ltd.	Mastereign Institute of Creative Arts Pte. Ltd. ⁽¹⁷⁾
	Learning Point Achievers Pte. Ltd.	Mastereign Institute of Professional Development Pte. Ltd. ⁽¹⁷⁾
	Learning Point Education Centre (S) Pte. Ltd.	Mastereign Learning Journeys Pte. Ltd.
	Learning Point First Pte. Ltd.	Mastereign Life Holdings Pte. Ltd.
	Learning Point Holdings Pte. Ltd.	Mastereign Media Arts Pte. Ltd.
	Learning Point Kids Pte. Ltd.	Mastereign Media Arts (Trainer) Pte. Ltd.
	Learning Point Mathematics Pte. Ltd.	Mastereign Millionaire Pte. Ltd.
	Learning Point Science Pte. Ltd.	Mastereign Multi Sports Pte. Ltd.
	LPM Investment Holdings Pte. Ltd.	Mastereign Multi Sports (Trainer) Pte. Ltd.
	LSL Thomson Pte. Ltd.	Mastereign Multi Sports Development Pte. Ltd.
	Mastereign Holdings Pte. Ltd.	Mastereign Pal Pte. Ltd.
	MXP Enrichment Centre Pte. Ltd.	Mastereign Professionals Pte. Ltd.
	S&S Cafe (Pte. Ltd.)	Mastereign Professionals (Career) Pte. Ltd.
	TMS Industries (Singapore) Pte Ltd	Mastereign Professionals (North East) Pte. Ltd.
	Turnaround Management Holdings Pte. Ltd.	Mastereign Specialist (Technical) Pte. Ltd.
	Turnaround Management Services Pte Ltd	

APPENDIX E – LIST OF PRESENT AND PAST DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS

Name	Present Directorships	Past Directorships
		Mastereign Visual Arts Pte. Ltd. Mastereign Visual Arts (Trainer) Pte. Ltd. Me Outdoor Pte. Ltd. Musicon Pte. Ltd. Rang De Pte. Ltd. ⁽²³⁾ Studio Wu Pte. Ltd. ⁽¹⁸⁾ Studio Wu International Pte. Ltd. The King's Pool Pte. Ltd.

Notes:

- (1) Sole proprietorship.
- (2) Limited liability partnership.
- (3) Cancelled with effect from 2 September 2014.
- (4) Struck off with effect from 6 November 2017.
- (5) Struck off with effect from 7 August 2017.
- (6) Cancelled with effect from 2 October 2014.
- (7) Struck off with effect from 5 February 2018.
- (8) Struck off with effect from 19 February 2016.
- (9) Cancelled with effect from 29 July 2017.
- (10) Cancelled with effect from 2 May 2015.
- (11) Cancelled with effect from 27 July 2017.
- (12) Cancelled with effect from 2 December 2015.
- (13) Struck off with effect from 9 January 2017.
- (14) Struck off with effect from 5 November 2018.
- (15) Struck off with effect from 8 March 2018.
- (16) Struck off with effect from 5 April 2018.
- (17) Struck off with effect from 4 December 2017.
- (18) Struck off with effect from 11 March 2015.
- (19) Struck off with effect from 4 July 2016.
- (20) Struck off with effect from 4 September 2018.
- (21) Struck off with effect from 5 November 2018.
- (22) Gazetted to be struck off.
- (23) Struck off with effect from 8 January 2018.

APPENDIX E – LIST OF PRESENT AND PAST DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS

The list of present and past directorships of each Executive Officer (save for the Executive Directors) over the last five (5) years preceding the date of this Offer Document, excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Chai Yee Hoi	<u>Group Companies</u> AccTax <u>Other Companies</u> Alacran Properties Pte. Ltd. Gangga Oh Resort Pte. Ltd. Global Orion Hospitality Investments Pte. Ltd. Lion Fuji Trading Pte. Ltd. Naung Consortium Pte. Ltd. Orion Hospitality Management Pte. Ltd. Oh Hotels and Resorts Pte. Ltd. Porter Hotels and Resorts Pte. Ltd. Vantage Global Pte. Ltd. Vantage Impex Pte. Ltd.	<u>Group Companies</u> – <u>Other Companies</u> Alacran Investments Pte. Ltd. ⁽²⁾ GM Global Training Pte. Ltd. ⁽³⁾ GST Consultancy Pte. Ltd. John Alderson Pte. Ltd. ⁽⁴⁾ Rukuncipta Sukses Pte. Ltd. ⁽⁴⁾ Tax-nology Pte. Ltd. ⁽⁵⁾
Lee Kim Hung	<u>Group Companies</u> Nex <u>Other Companies</u> Finest Health Medical Centre (TPY) Pte. Ltd. JILB International	<u>Group Companies</u> – <u>Other Companies</u> BTY Investments Private Limited ⁽⁶⁾
Low Siam Kiang	<u>Group Companies</u> AccTax Jo-L MCS Medinex Healthcare Patceljon <u>Other Companies</u> –	<u>Group Companies</u> – <u>Other Companies</u> PLS Holdings Pte. Ltd.
Ng Guan Kiat	<u>Group Companies</u> Jo-L Patceljon <u>Other Companies</u> Appical Asia Pte. Ltd. Development Computing Pte Ltd ⁽¹⁾ Spring Leaves Pte. Ltd. SIMI Pte. Ltd.	<u>Group Companies</u> – <u>Other Companies</u> Credibility Solutions and Technologies Pte. Ltd. ⁽⁷⁾ Trust Network Pte. Ltd. ⁽⁸⁾

APPENDIX E – LIST OF PRESENT AND PAST DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS

Notes:

- (1) In the process of striking off.
- (2) Struck off with effect from 19 January 2016.
- (3) Struck off with effect from 24 March 2016.
- (4) Struck off with effect from 4 September 2018.
- (5) Struck off with effect from 8 October 2018.
- (6) Struck off with effect from 9 January 2017.
- (7) Struck off with effect from 14 August 2015.
- (8) Struck off with effect from 4 June 2018.

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

1. NAME OF THE PERFORMANCE SHARE PLAN

The Performance Share Plan shall be called the “Medinex Performance Share Plan”.

2. DEFINITIONS

2.1 In this Performance Share Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

<i>“Adoption Date”</i>	: The date on which the Performance Share Plan is adopted by our Company
<i>“Auditors”</i>	: The auditors of our Company for the time being
<i>“Award”</i>	: An award of fully paid Shares granted under the Performance Share Plan
<i>“Board”</i>	: The board of Directors of our Company for the time being
<i>“Catalist”</i>	: The sponsor-supervised listing platform of the SGX-ST
<i>“Catalist Rule” or “Catalist Rules”</i>	: Any or all of the rules in Section B of the Listing Manual: Rules of Catalist of the SGX-ST, as amended, supplemented or modified from time to time
<i>“CDP”</i>	: The Central Depository (Pte) Limited
<i>“Commencement Date”</i>	: The date for the commencement of the Performance Share Plan
<i>“Committee”</i>	: The remuneration committee of our Company, or such other committee comprising directors of our Company duly authorised and appointed by our Board to administer this Performance Share Plan
<i>“Companies Act”</i>	: Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
<i>“Company”</i>	: Medinex Limited
<i>“Controlling Shareholder”</i>	: In relation to a corporation, means: (a) a person who has an interest in the voting shares of a corporation and who exercises control over the corporation; or

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

- (b) a person who has an interest of 15% or more of the total votes attached to all the voting shares in a corporation, unless he does not exercise control over the corporation
- “CPF”* : The Central Provident Fund
- “Director”* : A director of our Company for the time being
- “Group”* : Our Company and our subsidiaries
- “Group Employee”* : Any confirmed employee of our Group (including any Group Executive Director) selected by the Committee to participate in the Performance Share Plan in accordance with the provisions thereof
- “Group Executive Director”* : A director of our Company and/or any of our subsidiaries, as the case may be, who performs an executive function
- “Market Day”* : A day on which the SGX-ST is open for trading in securities
- “New Shares”* : The new Shares which may be issued from time to time pursuant to the vesting of Awards granted under the Performance Share Plan
- “Non-executive Director”* : A director of our Company and/or any of our subsidiaries, as the case may be, other than a Group Executive Director
- “Option”* : The right to subscribe for Shares granted or to be granted pursuant to the Share Option Scheme
- “Participant”* : A person who is selected by the Committee to participate in the Performance Share Plan in accordance with the provisions of the Performance Share Plan
- “Performance Share Plan”* : The Medinex Performance Share Plan, as amended, supplemented or modified from time to time
- “Performance Targets”* : The performance targets prescribed by the Committee to be fulfilled by a Participant for any particular period under the Performance Share Plan

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

- “Record Date”* : The date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions
- “Rules”* : The rules of the Performance Share Plan, as the same may be amended, supplemented or modified from time to time
- “SGX-ST”* : Singapore Exchange Securities Trading Limited
- “Share Option Scheme”* : The Medinex Employee Share Option Scheme, as the same may be amended, supplemented or modified from time to time
- “Shareholders”* : Registered holders of Shares except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons to whose securities accounts maintained with CDP are credited with the Shares
- “Shares”* : Ordinary shares in the capital of our Company
- “Vesting Date”* : In relation to Shares which are the subject of an Award which has been released in accordance with Rule 10, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares will vest pursuant to Rule 10
- “S\$” and “cents”* : Singapore dollars and cents respectively
- “%” or “per cent.”* : Percentage or per centum
- 2.2 The terms “Depositor” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act.
- 2.3 Any reference in the Performance Share Plan or the Rules to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in the Performance Share Plan and the Rules shall have the meaning assigned to it under the Companies Act.
- 2.4 Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits.
- 2.5 Any reference to a time of day shall be a reference to Singapore time.

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

3. OBJECTIVES

3.1 The main objectives of the Performance Share Plan are as follows:

- (a) to attract potential employees with relevant skills to contribute to our Group and to create value for Shareholders;
- (b) to instill loyalty to, and a stronger identification by the Participants with the long-term prosperity of our Group;
- (c) to motivate the Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (d) to give recognition to the contributions made by the Participants to the success of our Group; and
- (e) to retain key employees of our Company whose contributions are essential to the long-term prosperity of our Group.

4. ELIGIBILITY

4.1 The following persons (provided that such persons are not undischarged bankrupts at the relevant time) shall be eligible to participate in the Performance Share Plan at the absolute discretion of the Committee:

- (a) Group Employees (including Group Executive Directors) who have attained the age of 21 years on or before the date of grant of the Award; and
- (b) Non-executive Directors (including independent Directors) who have attained the age of 21 years on or before the date of grant of the Award, to the extent permissible under the laws of Singapore (including the Companies Act).

4.2 Controlling Shareholders and the associates of the Controlling Shareholders who meet the eligibility criteria in Rule 4.1 shall be eligible to participate in the Performance Share Plan provided that (a) the participation of; and (b) the terms of each grant and the actual number of Awards granted under the Performance Share Plan, to a Participant who is a Controlling Shareholder or an associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person.

4.3 Participants who are also Shareholders and are eligible to participate in the Performance Share Plan must abstain from voting on any resolution relating to the Performance Share Plan, including the implementation of the Performance Share Plan and the participation in the Performance Share Plan and grant of Awards to the Participants, and should not accept nominations as proxies or otherwise for voting in respect of such resolution unless specific instructions have been given in the proxy instrument on how the votes are to be cast.

4.4 Controlling Shareholders and their associates shall abstain from voting on the resolution in relation to their participation in the Performance Share Plan and grant of Awards to them.

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

- 4.5 For the purposes of determining eligibility to participate in the Performance Share Plan, the secondment of a Group Employee to another company within our Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of our Group.
- 4.6 There shall be no restriction on the eligibility of any Participant to participate in any other share incentive schemes or share plans implemented or to be implemented by our Company or any other company within our Group.
- 4.7 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Performance Share Plan may be amended from time to time at the absolute discretion of the Committee.

5. LIMITATIONS UNDER THE PERFORMANCE SHARE PLAN

- 5.1 The total number of Shares which may be delivered pursuant to the vesting of Awards on any date, when added to the aggregate number of Shares issued and/or issuable in respect of (a) all Awards granted under the Performance Share Plan; (b) all Options granted under the Share Option Scheme; and (c) all other Shares issued and/or issuable under any other share-based incentive schemes or share plans of our Company, shall not exceed fifteen per cent. (15.0%) of the total number of the issued Shares (excluding treasury shares) of our Company from time to time.
- 5.2 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Performance Share Plan.
- 5.3 The aggregate number of Shares available to the Controlling Shareholders and the associates of the Controlling Shareholders (including adjustments made in accordance with Rule 11) shall not exceed twenty-five per cent. (25.0%) of the Shares available under the Performance Share Plan.
- 5.4 The number of Shares available to each Controlling Shareholder or associate of the Controlling Shareholder (including adjustments made in accordance with Rule 11) shall also not exceed ten per cent. (10.0%) of the Shares available under the Performance Share Plan.

6. DATE OF GRANT

The Committee may grant Awards at any time in the course of a financial year, provided that in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, Awards may only be vested and hence any Shares comprised in such Awards may only be delivered on or after the second Market Day from the date on which the aforesaid announcement is made.

7. AWARDS

- 7.1 The selection of the Participants and number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Performance Share Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as, *inter alia*, the rank, scope of responsibilities, performance, years of service and potential for future development and contribution to the success of our Group.

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

- 7.2 In the case of a performance-related Award, the Performance Targets will be set by the Committee depending on each individual Participant's job scope and responsibilities. The Performance Targets to be set shall take into account both the medium and long-term corporate objectives of our Group and the individual performance of the Participant and will be aimed at sustaining long-term growth. The corporate objectives shall cover market competitiveness, business growth and productivity growth. The Performance Targets could be based on criteria such as sales growth, growth in earnings and return on investment. In addition, the Participant's length of service with our Group, achievement of past Performance Targets, value-add to our Group's performance and development and overall enhancement to shareholder value, amongst others, will be taken into account.
- 7.3 As soon as reasonably practicable after an Award is finalised by the Committee, the Committee shall send an Award letter to the Participant confirming the said Award. The said Award letter shall specify, *inter alia*, the following:
- (a) in relation to a performance-related Award, the Performance Targets for the Participant and the period during which the Performance Targets shall be met;
 - (b) the number of Shares to be vested in the Participant; and
 - (c) the date by which the Award shall be vested.
- 7.4 The Committee shall take into account various factors when determining the method to arrive at the exact number of Shares comprised in an Award. Such factors include, but are not limited to, the current price of the Shares, the total issued share capital of our Company and the predetermined dollar amount which the Committee decides that a Participant deserves for meeting his Performance Targets. For example, Shares may be awarded based on predetermined dollar amounts such that the quantum of Shares comprised in Awards is dependent on the closing price of Shares transacted on the Market Day the Award is vested. Alternatively, the Committee may decide absolute numbers of Shares to be awarded to Participants irrespective of the price of the Shares. The Committee shall monitor the grant of Awards carefully to ensure that the size of the Performance Share Plan will comply with the relevant rules of the Catalist Rules.
- 7.5 Awards are personal to the Participant to whom it is given and shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee.

8. VESTING OF THE AWARDS

- 8.1 Notwithstanding that a Participant may have met his Performance Targets, no Awards shall be vested:
- (a) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Award;
 - (b) in the event of any misconduct on the part of the Participant as determined by the Committee in its discretion;

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

- (c) subject to Rule 8.2, upon the Participant ceasing to be in the employment of our Group for any reason whatsoever; or
 - (d) in the event that the Committee shall, at its discretion, deem it appropriate that such Award to be given to a Participant shall so lapse on the grounds that any of the objectives of the Performance Share Plan (as set out in Rule 3) have not been met.
- 8.2 A Participant shall be entitled to an Award so long as he has met the Performance Targets notwithstanding that he may have ceased to be employed by our Group after the fulfilment of such Performance Targets. For the purpose of this Rule 8.2, the Participant may cease to be so employed in any of the following events, namely:
 - (a) through ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
 - (b) redundancy;
 - (c) death;
 - (d) retirement at or after the legal retirement age;
 - (e) retirement before the legal retirement age with the consent of the Committee; or
 - (f) any other event approved by the Committee.

9. TAKE-OVER AND WINDING UP OF OUR COMPANY

- 9.1 Notwithstanding Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall (notwithstanding that the vesting period for the Award has not expired) be entitled to the Shares under the Awards if he has met the Performance Targets which fall within the period commencing on the date on which such offer for a take-over of our Company is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
 - (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6)-month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the last date on which the Performance Targets are to be met); or
 - (b) the date of expiry of the period for which the Performance Targets are to be met, provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Participant shall be obliged to fulfill such Performance Targets until the expiry of such specified date or the expiry date of the Performance Targets relating thereto, whichever is earlier, before an Award can be vested.

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

- 9.2 If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of our Company or our amalgamation with another company or companies, each Participant who has fulfilled his Performance Target shall be entitled, notwithstanding the provisions herein and the fact that the vesting period for such Award has not expired but subject to Rule 9.5, to any Shares under the Awards so determined by the Committee to be released to him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later.
- 9.3 If an order or an effective resolution is made for the winding-up of our Company on the basis of its insolvency, all Awards, notwithstanding that they may have been so vested, shall be deemed or become null and void.
- 9.4 In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date or soon after it despatches such notice to each member of our Company, give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 9.4) and thereupon, the Committee shall make an absolute determination as to whether each affected Participant has met the Performance Targets prior to the date not later than two (2) business days prior to the proposed general meeting of our Company, and if the Committee determines that a Participant has met the Performance Targets, our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Participant credited as fully paid.
- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding-up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no release of Shares under the Award shall be made in such circumstances.

10. RELEASE OF AWARDS

- 10.1 As soon as reasonably practicable after the end of each performance period, the Committee shall review the Performance Targets specified in respect of that Award and determine whether they have been satisfied and, if so, the extent to which they have been satisfied (whether fully or partially) and the number of Shares to be released.
- 10.2 The Committee shall have the discretion to determine whether Performance Targets have been met (whether fully or partially) or exceeded and/or whether the Participant's performance and/or contribution to our Company and/or any of our subsidiaries justifies the vesting of an Award. In making any such determination, the Committee shall have the right to make reference to the audited results of our Company or our Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the Performance Targets if the Committee decides that a changed Performance Targets would be a fairer measure of performance.

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

- 10.3 Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Committee being satisfied that the Participant has achieved the Performance Targets.
- 10.4 Subject to the prevailing legislation and the provisions of the Catalist Rules, our Company will deliver Shares to Participants upon vesting of their Awards by way of an issue of New Shares or the transfer of existing Shares held as treasury shares to the Participants.
- 10.5 In determining whether to issue New Shares or to purchase existing Shares for delivery to Participants upon the vesting of their Awards, our Company will take into account factors such as the number of Shares to be delivered, the prevailing market price of the Shares and the financial effect on our Company of either issuing New Shares or purchasing existing Shares.
- 10.6 The Committee will procure, upon approval of the Board, the allotment or transfer to each Participant of the number of Shares which are to be released to that Participant pursuant to an Award under Rule 7. Any proposed issue of New Shares will be subject to there being in force at the relevant time the requisite Shareholders approval under the Companies Act for the issue of Shares. Any allotment of New Shares pursuant to an Award will take into account the rounding of odd lots.
- 10.7 Where New Shares are to be allotted or any Shares are to be transferred to a Participant pursuant to the release of any Award, the Vesting Date will be a trading day falling as soon as practicable after the review of the Committee referred to in Rule 10.1. On the Vesting Date, the Committee will procure the allotment or transfer of each Participant of the number of Shares so determined.
- 10.8 Where New Shares are to be allotted upon the vesting of any Award, our Company shall, as soon as practicable after allotment, where necessary, apply to the SGX-ST for the permission to deal in and for the listing and quotation of such Shares on the SGX-ST.
- 10.9 Shares which are allotted or transferred on the release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of either:
- (a) the securities account of that Participant maintained with CDP;
 - (b) the securities sub-account of that Participant maintained with a Depository Agent; or
 - (c) the CPF investment account maintained with a CPF agent bank,

in each case, as designated by that Participant. Until such issue or transfer of such Shares has been effected, that Participant shall have no voting rights nor any entitlements to dividends or other distributions declared or recommended in respect of any Shares which are the subject of the Award granted to him.

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

- 10.10 New Shares allotted and issued, and existing Shares held in treasury procured by our Company for transfer, on the release of an Award, shall be subject to all the provisions of our Constitution and the Companies Act, and shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the date of issue of the New Shares or the date of transfer of treasury shares pursuant to the vesting of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue. “Record Date” means the date fixed by our Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- 10.11 Shares which are allotted, and/or treasury shares which are transferred, on the vesting of an Award to a Participant, may be subject to such moratorium as may be imposed by the Committee.

11. VARIATION OF CAPITAL

- 11.1 If a variation in the issued ordinary share capital of our Company whether by way of a capitalisation issue or other circumstances (for example, rights issue, capital reduction, subdivision, consolidation of shares or distribution) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the Performance Share Plan,

shall be adjusted by the Committee to give each Participant the same proportion of the equity capital of our Company as that to which he was previously entitled and, in doing so, the Committee shall determine at its own discretion the manner in which such adjustment shall be made.

- 11.2 The following events shall not normally be regarded as a circumstance requiring adjustment:
- (a) the issuance of securities as consideration for an acquisition or a private placement of securities;
 - (b) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force;
 - (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the Performance Share Plan and the Share Option Scheme; and
 - (d) any issuance of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by our Company.

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

11.3 Notwithstanding the provisions of Rule 11.1:

- (a) the adjustment must be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive; and
- (b) any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

11.4 Upon any adjustment required to be made pursuant to this Rule 11, our Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the vesting of an Award. Any adjustment shall take effect upon such written notification being given.

12. ADMINISTRATION OF THE PERFORMANCE SHARE PLAN

12.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him.

12.2 The Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Performance Share Plan) for the implementation and administration of the Performance Share Plan as they think fit including, but not limited to:

- (a) imposing restrictions on the number of Awards that may be vested within each financial year; and
- (b) amending Performance Targets if by so doing, it would be a fairer measure of performance for a Participant or for the Performance Share Plan as a whole.

12.3 Any decision of the Committee made pursuant to any provision of the Performance Share Plan (other than a matter to be certified by the Auditors) shall be final and binding (including any decisions pertaining to the number of Shares to be vested) or to disputes as to the interpretation of the Performance Share Plan or any rule, regulation, procedure thereunder or as to any rights under the Performance Share Plan.

12.4 The Committee shall ensure that the rules of the Performance Share Plan are in compliance with the Companies Act and the applicable laws and regulations in Singapore, including but not limited to, the Catalist Rules.

13. NOTICES AND ANNUAL REPORT

13.1 Any notice required to be given by a Participant to our Company shall be sent or made to the registered office of our Company or such other addresses as may be notified by our Company to him in writing.

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

- 13.2 Any notices or documents required to be given to a Participant or any correspondence to be made between our Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of our Company and shall be delivered to him by hand or sent to him at his home address according to the records of our Company or at the last known address of the Participant and if sent by post, shall be deemed to have been given on the day following the date of posting.
- 13.3 The following disclosures (as applicable) will be made by our Company in its annual report for so long as the Performance Share Plan continues in operation:
- (a) the names of the members of the Committee administering the Performance Share Plan;
 - (b) in respect of the following Participants:
 - (i) Directors of our Company;
 - (ii) Controlling Shareholders and their Associates; and
 - (iii) Participants (other than those in paragraphs (b)(i) and (ii) above) who have received Shares pursuant to the vesting of the Awards granted under the Performance Share Plan which, in aggregate, represent five per cent. (5.0%) or more of the total number of Shares available under the Performance Share Plan, the following information:
 - (aa) the name of the Participant;
 - (bb) the aggregate number of Shares comprised in Awards which have been granted to such Participant during the financial year under review;
 - (cc) the aggregate number of Shares comprised in Awards which have been granted to such Participant since the commencement of the Performance Share Plan to the end of the financial year under review;
 - (dd) the aggregate number of Shares comprised in Awards which have been issued and/or transferred to such Participant pursuant to the vesting of Awards under the Performance Share Plan since the commencement of the Performance Share Plan to the end of the financial year under review; and
 - (ee) the aggregate number of Shares comprised in Awards which have not been vested as at the end of the financial year under review; and
 - (c) such other information as may be required by the Catalist Rules or the Companies Act.

If any of the above is not applicable, an appropriate negative statement shall be included.

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

14. MODIFICATIONS TO THE PERFORMANCE SHARE PLAN

- 14.1 Any or all the provisions of the Performance Share Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, provided that:
- (a) any modification or alteration which would be to the advantage of Participants under the Performance Share Plan shall be subject to the prior approval of Shareholders in general meeting; and
 - (b) no modification or alteration shall be made without due compliance with the Catalyst Rules and such other regulatory authorities as may be necessary.
- 14.2 Written notice of any modification or alteration made in accordance with this Rule 14 shall be given to all Participants.

15. TERMS OF EMPLOYMENT UNAFFECTED

The terms of employment of a Participant (who is a Group Employee) shall not be affected by his participation in the Performance Share Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

16. DURATION OF THE PERFORMANCE SHARE PLAN

- 16.1 The Performance Share Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Performance Share Plan may continue beyond the above stipulated period with the approval of our Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.
- 16.2 The Performance Share Plan may be terminated at any time at the discretion of the Committee or by an ordinary resolution of our Company in general meeting subject to all other relevant approvals which may be required and if the Performance Share Plan is so terminated, no further Awards shall be offered by our Company thereunder.
- 16.3 Notwithstanding the expiry or termination of the Performance Share Plan, any Awards made to Participants prior to such expiry or termination will continue to remain valid.

17. TAXES

All taxes (including income tax) arising from the grant and/or disposal of Shares pursuant to the Awards granted to any Participant under the Performance Share Plan shall be borne by that Participant.

18. COSTS AND EXPENSES

- 18.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the allotment and issue or transfer of any Shares pursuant to the Awards in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent.

APPENDIX F – RULES OF THE MEDINEX PERFORMANCE SHARE PLAN

- 18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the Performance Share Plan to be payable by the Participants, all fees, costs and expenses incurred by our Company in relation to the Performance Share Plan including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of Shares pursuant to the Awards shall be borne by our Company.

19. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Committee and our Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to our Company's delay in issuing or transferring the Shares or applying for or procuring the listing of the Shares on the SGX-ST.

20. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

21. CONDITION OF AWARDS

Every Award shall be subject to the condition that no Shares would be issued or transferred pursuant to the vesting of any Award if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue or transfer of Shares hereto.

22. GOVERNING LAW

The Performance Share Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Awards in accordance with the Performance Share Plan, and our Company, irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SHARE OPTION SCHEME

The Share Option Scheme shall be called the “Medinex Employee Share Option Scheme”.

2. DEFINITION

2.1 In the Share Option Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

<i>“Auditors”</i>	:	The auditors of our Company for the time being
<i>“Award”</i>	:	An award of Shares granted under the Performance Share Plan
<i>“Board”</i>	:	The board of Directors of our Company for the time being
<i>“Catalist”</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>“Catalist Rule” or “Catalist Rules”</i>	:	Any or all of the rules in Section B of the Listing Manual: Rules of Catalist of the SGX-ST, as amended, supplemented or modified from time to time
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Committee”</i>	:	The remuneration committee of our Company, or such other committee comprising directors of our Company duly authorised and appointed by our Board to administer this Share Option Scheme
<i>“Companies Act”</i>	:	Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time
<i>“Company”</i>	:	Medinex Limited
<i>“Controlling Shareholder”</i>	:	In relation to a corporation, means: (a) a person who has an interest in the voting shares of a corporation and who exercises control over the corporation; or (b) a person who has an interest of 15% or more of the total votes attached to all the voting shares in a corporation, unless he does not exercise control over the corporation
<i>“CPF”</i>	:	The Central Provident Fund

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

<i>“Date of Grant”</i>	:	In relation to an Option, the date on which the Option is granted to a Participant pursuant to Rule 7
<i>“Director”</i>	:	A director of our Company for the time being
<i>“Exercise Price”</i>	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option which shall be the price as determined in accordance with Rule 9, as adjusted in accordance with Rule 10
<i>“Grantee”</i>	:	A person to whom an offer of an Option is made
<i>“Group”</i>	:	Our Company and our subsidiaries
<i>“Group Employee”</i>	:	Any confirmed employee of our Group (including any Group Executive Director) selected by the Committee to participate in the Share Option Scheme in accordance with the provisions thereof
<i>“Group Executive Director”</i>	:	A director of our Company and/or any of our subsidiaries, as the case may be, who performs an executive function
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Market Price”</i>	:	A price equal to the average of the last dealt prices for the Shares on the SGX-ST over the five (5) consecutive Trading Days immediately preceding the Date of Grant of that Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices
<i>“Non-executive Director”</i>	:	A director of our Company and/or any of our subsidiaries, as the case may be, other than a Group Executive Director
<i>“Offer Date”</i>	:	The date on which an offer to grant an Option is made pursuant to the Share Option Scheme
<i>“Option”</i>	:	The right to subscribe for Shares granted or to be granted pursuant to the Share Option Scheme and for the time being subsisting
<i>“Participant”</i>	:	The holder of an Option

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

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| <i>“Performance Share Plan”</i> | : | The Medinex Performance Share Plan, as the same may be amended, supplemented or modified from time to time |
| <i>“Record Date”</i> | : | The date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions |
| <i>“Rules”</i> | : | The rules of the Share Option Scheme, as the same may be amended, supplemented or modified from time to time |
| <i>“SGX-ST”</i> | : | Singapore Exchange Securities Trading Limited |
| <i>“Share Option Scheme”</i> | : | The Medinex Employee Share Option Scheme, as the same may be amended, supplemented or modified from time to time |
| <i>“Shareholders”</i> | : | Registered holders of Shares except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons to whose securities accounts maintained with CDP are credited with the Shares |
| <i>“Shares”</i> | : | Ordinary shares in the capital of our Company |
| <i>“Trading Day”</i> | : | A day on which the Shares are traded on Catalist |
| <i>“S\$” and “cents”</i> | : | Singapore dollars and cents respectively |
| <i>“%” or “per cent.”</i> | : | Percentage or per centum |
- 2.2 The terms “Depositor” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act.
- 2.3 Any reference in the Share Option Scheme or the Rules to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and used in the Share Option Scheme and the Rules shall have the meaning assigned to it under the Companies Act.
- 2.4 Words importing the singular number shall include the plural number where the context admits and vice versa. Words importing the masculine gender shall include the feminine gender where the context admits.
- 2.5 Any reference to a time of day shall be a reference to Singapore time.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

3. OBJECTIVES OF THE SHARE OPTION SCHEME

- 3.1 The Share Option Scheme will provide an opportunity for Group Employees who have contributed significantly to the growth and performance of our Group (including Group Executive Directors) and Non-executive Directors (including independent Directors) and who satisfy the eligibility criteria as set out in Rule 4, to participate in the equity of our Company.
- 3.2 The Share Option Scheme is primarily a share incentive scheme. It recognises the fact that the services of such Group Employees are important to the success and continued well-being of our Group. Implementation of the Share Option Scheme will enable our Company to give recognition to the contributions made by such Group Employees. At the same time, it will give such Group Employees an opportunity to have a direct interest in our Company and will further help to achieve the following positive objectives:
- (a) to motivate each Participant to optimise his performance standards and efficiency and to maintain a high level of contribution to our Group;
 - (b) to retain key employees and Directors whose contributions are essential to the long-term growth and profitability of our Group;
 - (c) to instill loyalty to, and a stronger identification by the Participants with the long-term prosperity of, our Group;
 - (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
 - (e) to align the interests of the Participants with the interests of our Shareholders.

4. ELIGIBILITY

- 4.1 Confirmed Group Employees (including Group Executive Directors) and Non-executive Directors (including independent Directors) who have attained the age of 21 years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, shall be eligible to participate in the Share Option Scheme at the absolute discretion of the Committee.
- 4.2 Controlling Shareholders and their Associates who have contributed to the development and success of our Group shall be eligible to participate in the Share Option Scheme, provided that (a) the participation of; and (b) the terms of any Options to be granted and the actual number of Options to be granted under the Share Option Scheme, to a Participant who is a Controlling Shareholder or an associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person, with such separate resolutions including approval for the actual number and terms of Options to be granted to that person. Our Company will at such time provide the rationale and justification for any proposal to grant the Controlling Shareholders or associates of the Controlling Shareholders any Options (including the rationale for any discount to the market price, if so proposed).

Such Controlling Shareholder and his associate shall abstain from voting on the resolution in relation to his participation in the Share Option Scheme and the grant of Options to him.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

- 4.3 For the purposes of determining eligibility to participate in the Share Option Scheme, the secondment of a confirmed Group Employee to another company within our Group shall not be regarded as a break in his employment or his having ceased by reason only of such secondment to be a full-time employee of our Group.
- 4.4 There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within our Group.
- 4.5 Subject to the Companies Act and any requirement of the SGX-ST, the terms of eligibility for participation in the Share Option Scheme may be amended from time to time at the absolute discretion of the Committee, which would be exercised judiciously.

5. MAXIMUM ENTITLEMENT

- 5.1 Subject to Rules 4, 5, 6 and 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for subscription in accordance with the Share Option Scheme shall be determined at the absolute discretion of the Committee, who shall take into account criteria such as rank, past performance, years of service and potential development of the Participant.
- 5.2 The aggregate number of Shares issued and issuable in respect of all Options granted under the Share Option Scheme available to the Controlling Shareholders and associates of the Controlling Shareholders shall not exceed twenty-five per cent. (25.0%) of the total number of Shares available under the Share Option Scheme.
- 5.3 The number of Shares issued and issuable in respect of all Options granted under the Share Option Scheme available to each Controlling Shareholder or associate of a Controlling Shareholder under the Share Option Scheme shall not exceed ten per cent. (10.0%) of the total number of Shares available under the Share Option Scheme.

6. LIMITATION ON SIZE OF THE SHARE OPTION SCHEME

The total number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable in respect of (a) all Options granted under the Share Option Scheme; (b) all Awards granted under the Performance Share Plan; and (c) all outstanding options or awards granted under such other share-based incentive schemes of our Company, shall not exceed fifteen per cent. (15.0%) of the number of issued Shares (excluding treasury shares) on the day immediately preceding the Offer Date of the Option.

7. OFFER DATE

The Committee may, save as provided in Rules 4, 5 and 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Share Option Scheme is in force, except that no Option shall be granted during the period of 30 days immediately preceding the date of announcement of our Company's interim and/or final results (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

made, offers to grant Options may only be made on or after the second Market Day on which such announcement is released.

An offer to grant the Option to a Grantee shall be made by way of a letter (the “**Letter of Offer**”) in the form or substantially in the form set out in Schedule A, subject to such amendments as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within 30 days after the relevant Offer Date and not later than 5.00 p.m. on the thirtieth day from such Offer Date (a) by completing, signing and returning to our Company the acceptance form (“**Acceptance Form**”) in or substantially in the form set out in Schedule B, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration and (b) if, at the date on which our Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Share Option Scheme in accordance with these Rules.

If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the 30 day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

Our Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or exercise notice (“**Exercise Notice**”) in or substantially in the form set out in Schedule C given pursuant to Rule 12 which does not strictly comply with the terms of the Share Option Scheme.

Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee’s prior written approval, but may be exercised by the Grantee’s duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.

The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 Shares.

In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect, and the relevant Participant shall have no claim whatsoever against our Company.

Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:

- (a) it is not accepted in the manner as provided in this Rule within the 30 day period;
- (b) the Grantee dies prior to his acceptance of the Option;
- (c) the Grantee is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option;

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

- (d) the Grantee being a Group Employee ceases to be in the employment of our Group or (being a Director) ceases to be a Director of our Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
- (e) our Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. EXERCISE PRICE

Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee, in its absolute discretion, on the Date of Grant, at:

- (a) a price equal to the Market Price; or
- (b) a price which is set at a discount to the Market Price, provided that:
 - (i) the maximum discount shall not exceed twenty per cent. (20.0%) of the Market Price (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
 - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the Share Option Scheme at a discount not exceeding the maximum discount as aforesaid.

In making any determination under paragraph (b) above on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of our Company and/or our subsidiaries, as the case may be;
- (b) the years of service and individual performance of the eligible Group Employee or Director;
- (c) the contribution of the eligible Group Employee or Director to the success and development of our Company and/or our Group; and
- (d) the prevailing market conditions.

In the event that our Company is no longer listed on the SGX-ST or any other relevant stock exchange or trading in the Shares on the SGX-ST or such stock exchange is suspended for any reason for 14 days or more, the Exercise Price for each Share in respect of which an Option is exercisable shall be the fair market value of each such Share as determined by the Committee in good faith.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

10. ALTERATION OF CAPITAL

10.1 If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation issue or other circumstances (for example, rights issue, capital reduction, subdivision, consolidation of shares or distribution) should take place, then:

- (a) the Exercise Price for the Shares, class and/or number of Shares comprised in the Options to the extent unexercised and the rights attached thereto; and/or
- (b) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (b) unless the Committee, after considering all relevant circumstances, considers it equitable to do so.

10.3 The issue of securities as consideration for an acquisition of any assets by our Company, or the cancellation of issued Shares purchased or acquired by our Company by way of market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.

10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above shall not apply to the number of additional Shares or Options over additional Shares issued by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.

10.5 Upon any adjustment required to be made pursuant to this Rule 10, our Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised. Any adjustment shall take effect upon such written notification being given.

11. OPTION PERIOD

11.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offer Date of that Option, provided always that the Options shall be exercised before the tenth anniversary of the relevant Offer Date or, by a Participant who is not a Group Employee, before the fifth anniversary of the relevant Offer Date, or such earlier date as

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may be determined by the Committee (the “**Option Period**”), failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against our Company. Upon the expiry of the relevant Option Period, the Committee shall have the absolute discretion to determine whether to grant any Options to such Participant in accordance with Rule 7.

- 11.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offer Date of that Option, provided always that the Options shall be exercised before the relevant Option Period, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against our Company. Upon the expiry of the relevant Option Period, the Committee shall have the absolute discretion to determine whether to grant any Options to such Participant in accordance with Rule 7.
- 11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against our Company:
- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of our Company or any of the companies within our Group for any reason whatsoever;
 - (b) upon the bankruptcy of the Participant or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such Option; or
 - (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 11.4 If a Participant ceases to be employed by our Group by reason of his:
- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
 - (b) redundancy;
 - (c) retirement at or after a normal retirement age; or
 - (d) retirement before that age with the consent of the Committee,

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

11.5 If a Participant ceases to be employed by a subsidiary:

- (a) by reason of the subsidiary, by which he is principally employed ceasing to be a company within our Group or the undertaking or part of the undertaking of such subsidiary, being transferred otherwise than to another company within our Group; or
- (b) for any other reason, provided the Committee gives its consent in writing, he may, at the absolute discretion of the Committee, exercise any unexercised Options within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.7 If a Participant, who is also a Group Executive Director, ceases to be a Director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant option period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

12. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant giving notice in writing to our Company in or substantially in the form set out in Schedule C (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of our Company. An Option shall be deemed to be exercised upon the receipt by our Company of the abovementioned Exercise Notice duly completed and the receipt by our Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

12.2 Subject to:

- (a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary; and
- (b) compliance with the Catalist Rules, the Companies Act and our Constitution, our Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot and issue the Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

- 12.3 Our Company shall, if necessary, as soon as practicable after the exercise of an Option, apply for the listing and quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- 12.4 Shares which are allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a CDP Depository Agent.
- 12.5 Shares allotted and shall be subject to all provisions of our Constitution and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of our Company except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.
- 12.6 Our Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.

13. MODIFICATIONS TO THE SHARE OPTION SCHEME

- 13.1 Any or all the provisions of the Share Option Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters of the total number of Shares which would fall to be allotted upon exercise in full of all outstanding Options;
 - (b) any modification or alteration which would be to the advantage of Participants under the Share Option Scheme shall be subject to the prior approval of the Shareholders in general meeting; and
 - (c) no modification or alteration shall be made except in compliance with the Catalist Rules and such other regulatory authorities as may be necessary.

For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the Share Option Scheme in any way to the extent necessary to cause the Share Option Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body.
- 13.3 Written notice of any modification or alteration made in accordance with this Rule 13 shall be given to all Participants.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

14. DURATION OF THE SHARE OPTION SCHEME

- 14.1 The Share Option Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the Share Option Scheme is adopted by our Company in general meeting. Subject to compliance with any applicable laws and regulations in Singapore, the Share Option Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- 14.2 The Share Option Scheme may be terminated at any time by the Committee or by ordinary resolution of the Shareholders at general meeting subject to all other relevant approvals which may be required and if the Share Option Scheme is so terminated, no further Options shall be offered by our Company hereunder.
- 14.3 The termination, discontinuance or expiry of the Share Option Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

15. TAKE-OVER AND WINDING UP OF OUR COMPANY

- 15.1 In the event of a take-over offer being made for our Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rules 11 and 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part during the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
 - (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void, provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11.3, remain exercisable until the expiry of the Option Period relating thereto.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

- 15.2 If, under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of our Company or its amalgamation with another corporation or corporations, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rules 11.1 and 11.2) shall notwithstanding Rules 11 and 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option period relating thereto), whereupon any unexercised Option shall lapse and become null and void, provided always that the date of exercise of any Option shall be before the expiry of the relevant Option Period.
- 15.3 If an order or an effective resolution is passed for the winding up of our Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 15.4 In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it despatches such notice to each member of our Company give notice thereof to all Participants (together with a notice of the existence of the provision of this Rule 15.4) and thereupon, each Participant (or his personal representative) shall be entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the shares in respect of which the notice is given whereupon our Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 If the events stipulated in this Rule 15 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 15, it shall lapse and become null and void.

16. ADMINISTRATION OF THE SHARE OPTION SCHEME

- 16.1 The Share Option Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred upon it by the Board.
- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Share Option Scheme) as it may consider necessary, desirable or expedient for it to administer and give effect to the Share Option Scheme.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

16.3 Any decision of the Committee, made pursuant to any Rule of the Share Option Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Rules of the Share Option Scheme or any rule, regulation or procedure thereunder or as to any rights under the Share Option Scheme).

16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.

17. NOTICES

17.1 Any notice given by a Participant to our Company shall be sent by post or delivered to the registered office of our Company or such other address as may be notified by our Company to the Participant in writing.

17.2 Any notice or documents given by our Company to a Participant shall be sent to the Participant by hand or sent to him at his home address stated in the records of our Company or the last known address of the Participant, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.

18. TERMS OF EMPLOYMENT UNAFFECTED

18.1 The Share Option Scheme or any Option shall not form part of any contract of employment between our Company or any subsidiary (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within our Group shall not be affected by his participation in the Share Option Scheme or any right which he may have to participate in it or any Option which he may hold and the Share Option Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

18.2 The Share Option Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against our Company and/or any subsidiary directly or indirectly or give rise to any cause of action at law or in equity against our Company or any subsidiary.

19. TAXES

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Share Option Scheme shall be borne by that Participant.

20. COSTS AND EXPENSES OF THE SHARE OPTION SCHEME

20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the allotment and issue of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP or the Participant's securities sub-account with a CDP Depository Agent.

20.2 Save for the taxes referred to Rule 19 and such other costs and expenses expressly provided in the Share Option Scheme to be payable by the Participants, all fees, costs and expenses incurred by our Company in relation to the Share Option Scheme including but

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

not limited to the fees, costs and expenses relating to the allotment and issue of Shares pursuant to the exercise of any Option shall be borne by our Company.

21. CONDITION OF OPTIONS

Every Option shall be subject to the condition that no Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

22. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained and subject to the Companies Act, the Board, the Committee and our Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to our Company's delay in allotting and issuing the Shares or in applying for or procuring the listing of the Shares on the SGX-ST (or any other relevant stock exchange).

23. DISCLOSURE IN ANNUAL REPORT

Our Company shall make the following disclosure in its annual report:

- (a) the names of the members of the Committee;
- (b) the information required in the table below for the following Participants (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular financial year):
 - (i) participants who are Directors of our Company;
 - (ii) participants who are Controlling Shareholders of our Company and their associates; and
 - (iii) participants other than those in (i) and (ii) above, who receive five per cent. (5.0%) or more of the total number of Options available under the Share Option Scheme;

Name of Participant	Options granted during financial year under review (including terms)	Aggregate Options granted since commencement of the Share Option Scheme to end of financial year under review	Aggregate Options exercised since commencement of the Share Option Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

- (c) disclosure in the annual report of information on the Options granted to directors and employees of our Company's parent company and its subsidiaries would not be necessary as such persons are not Participants;
- (d) the number and proportion of Options granted at the following discounts to average market value of the Shares in the financial year under review:
 - (i) Options granted at up to ten per cent. (10.0%) discount; and
 - (ii) Options granted at between ten per cent. (10.0%) but not more than twenty per cent. (20.0%) discount,

provided that if any of the above requirements is not applicable, an appropriate negative statement must be included.

24. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Share Option Scheme shall abstain from voting on any Shareholders' resolution relating to the Share Option Scheme, including, where applicable, (i) implementation of the Share Option Scheme; (ii) discount quantum; and (iii) participation by any Option granted to Controlling Shareholders and their associates, and should not accept nominations as proxies or otherwise for voting in respect of such resolution unless specific instructions have been given in the proxy instrument on how the votes are to be cast.

25. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

26. GOVERNING LAW

The Share Option Scheme shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the Share Option Scheme, and our Company, irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

SCHEDULE A

MEDINEX EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No: _____

Date: _____

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that, pursuant to the Medinex Employee Share Option Scheme (the “**Share Option Scheme**”), you have been nominated to participate in the Share Option Scheme by the Committee (the “**Committee**”) appointed by the Board of Directors of Medinex Limited (the “**Company**”) to administer the Share Option Scheme. Terms as defined in the Rules of the Share Option Scheme shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted Shares at the price of S\$_____ per Share.
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the terms of the Share Option Scheme, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of
Medinex Limited

Name:
Designation:

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

SCHEDULE B

MEDINEX EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No: _____

Date: _____

To: The Committee

Medinex Employee Share Option Scheme

Closing Date for Acceptance of Offer : _____

Number of Shares Offered : _____

Exercise Price for each Share : S\$_____

Total Amount Payable : S\$_____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the Letter of Offer and Share Option Scheme referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ Shares at S\$_____ per Share. I enclose cash for S\$1.00 in payment for the purchase of the Option/I authorise my employer to deduct the sum of S\$1.00 from my salary in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I further acknowledge and confirm that you have not made any representation to induce me to accept the offer in respect of the said Option and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No. : _____

Signature : _____

Date : _____

Note:

* Delete where inapplicable

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

SCHEDULE C

MEDINEX EMPLOYEE SHARE OPTION SCHEME

EXERCISE NOTICE

Total number of ordinary shares (the “**Shares**”) offered at S\$_____ per Share (the “**Exercise Price**”) under the Share Option Scheme on _____ (Date of Grant) : _____

Number of Shares previously allotted and issued or transferred thereunder : _____

Outstanding balance of Shares to be allotted and issued or transferred thereunder : _____

Number of Shares now to be subscribed : _____

To: The Committee,
Medinex Employee Share Option Scheme

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares (in multiples of 100) in the capital of Medinex Limited (the “**Company**”) at S\$_____ per Share.
2. I enclose a *cheque/cashiers order/banker’s draft/postal order no. _____ for S\$_____ by way of subscription for the total number of the said Shares.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Medinex Employee Share Option Scheme and the Constitution of the Company.
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue or transfer the Shares in the name of The Central Depository (Pte) Limited (“**CDP**”) for credit of my *securities account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.

APPENDIX G – RULES OF THE MEDINEX EMPLOYEE SHARE OPTION SCHEME

Please print in block letters

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC/Passport No : _____

*Direct Securities Account No. : _____

OR

*Sub-Account No. : _____

Name of Depository Agent : _____

OR

*CPF Investment Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

Note:

* Delete where inapplicable

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APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

You are invited to apply and subscribe for and/or purchase the Placement Shares at the Placement Price, subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 PLACEMENT SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF PLACEMENT SHARES WILL BE REJECTED.**
2. Your application for Placement Shares may only be made by way of printed Placement Shares Application Forms or directly through the Sponsor and Issue Manager and/or the Placement Agent, who will determine, at their discretion, the manner and method for applications under the Placement.

YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.

3. **You (not being an approved nominee company) are allowed to submit only one application in your own name for the Placement Shares. Any separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Vendor, the Sponsor and Issue Manager and the Placement Agent, except in the case of applications by approved nominee companies, where each application is made on behalf of a different beneficiary.**

If you, being other than an approved nominee company, have submitted an application for Placement Shares in your own name, you should not submit any other application for Placement Shares for any other person. Such separate applications shall be deemed to be multiple applications and will be liable to be rejected at the discretion of our Company, the Vendor, the Sponsor and Issue Manager and the Placement Agent.

Joint or multiple applications for the Placement Shares shall be rejected at the discretion of our Company, the Vendor, the Sponsor and Issue Manager and the Placement Agent. If you submit or procure submissions of multiple share applications for the Placement Shares, you may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the Securities and Futures Act, and your applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications except in the case of applications by approved nominee companies where such applications are made on behalf of a different beneficiary, may be rejected at the discretion of our Company, the Vendor, the Sponsor and Issue Manager and the Placement Agent. By submitting an application for the Placement Shares, you declare that you do not possess more than one individual direct Securities Account with CDP.

4. We will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships, non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification or, where the application is

APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 6 below.

6. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** “Approved nominee companies” are defined as banks, merchant banks, finance companies, insurance companies, and licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and CDP Securities Account number provided in your Application Form differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.
8. **If your address as stated in the Application Form is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and/or allocation and other correspondence from CDP will be sent to your address last registered with CDP.**
9. **Our Company, the Vendor, the Sponsor and Issue Manager and the Placement Agent reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Form and in this Offer Document or with the terms and conditions of this Offer Document or, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance which is not honoured upon the first presentation.**
10. **Our Company, the Vendor, the Sponsor and Issue Manager and the Placement Agent further reserve the right to treat as valid any application not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Form or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**
11. **Our Company, the Vendor, the Sponsor and Issue Manager and the Placement Agent reserve the right to reject or to accept, in whole or in part, or to scale down, any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision with regards hereto will be entertained. In deciding the basis of allotment and/or allocation which shall be at the discretion of our Company, the Vendor, the Sponsor and Issue Manager and the Placement Agent, due consideration will be given to the desirability of allotting and/or allocating the Placement Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.**

APPENDIX H – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

12. Subject to your provision of a valid and correct CDP Securities Account Number, share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Application List, a statement of account stating that your Securities Account has been credited with the number of Placement Shares allotted and/or allocated to you, if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company or the Vendor. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounce, any instrument of transfer and/or other documents required for the issue and/or transfer of the Placement Shares allotted and/or allocated to you.
13. In the event that we lodge a supplementary or replacement Offer Document (“**Relevant Document**”) pursuant to the Securities and Futures Act or any applicable legislation in force from time to time prior to the close of the Placement, and the Placement Shares have not been issued and/or transferred to you, our Company (and on behalf of the Vendor) will (as required by law and subject to the Securities and Futures Act), at the Company’s and the Vendor’s sole and absolute discretion:
 - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the Relevant Document, and provide you with an option to withdraw your application, and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated your wish to obtain, or have arranged to receive, a copy of the Relevant Document;
 - (ii) within seven (7) days of lodgement of the Relevant Document, give you a copy of the Relevant Document, and provide you with an option to withdraw your application; or
 - (iii) treat your application as withdrawn and cancelled, in which case the application shall be deemed to have been withdrawn and cancelled, and within seven (7) days from the date of lodgement of the Relevant Document, return all monies paid by you in respect of your application, without interest or any share of revenue or other benefit arising therefrom and at your own risk.

Where you have notified us within 14 days from the date of lodgement of the Relevant Document of your wish to exercise your option under paragraph 13(i) or 13(ii) above to withdraw your application, we (and on behalf of the Vendor) shall, within seven (7) days from the receipt of such notification, return to you all application monies paid by you in respect of your application for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk, and you will not have any claim against our Company, the Vendor, the Sponsor and Issue Manager or the Placement Agent.

In the event that at any time at the time of the lodgement of the Relevant Document, the Placement Shares have already been issued and/or transferred to you but trading has not commenced, our Company (and on behalf of the Vendor) will (as required by law and subject to the Securities and Futures Act), at our Company’s and the Vendor’s sole and absolute discretion:

- (a) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the Relevant Document, give you notice in writing of how to obtain, or

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arrange to receive, a copy of the Relevant Document, and provide you with an option to return to our Company and/or the Vendor, the Placement Shares which you do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated your wish to obtain, or have arranged to receive, a copy of the Relevant Document;

- (b) within seven (7) days from the date of lodgement of the Relevant Document, give you a copy of the Relevant Document, and provide you with an option to return to our Company and/or the Vendor the Placement Shares which you do not wish to retain title in; or
- (c) treat the issue and/or transfer of the Placement Shares as void, in which case the issue and/or transfer of the Placement Shares shall be deemed void and within seven (7) days from the date of lodgement of the Relevant Document, return all monies paid in respect of your application, without interest or any share of revenue or other benefit arising therefrom and at your own risk.

If you wish to exercise your option under paragraph 13(a) or 13(b) above to return the Placement Shares issued and/or transferred to you, you shall, within 14 days from the date of lodgement of the Relevant Document, notify our Company of this and return all documents, if any, purporting to be evidence of title of those Placement Shares, to us, whereupon we (and on behalf of the Vendor) shall, within seven (7) days from the receipt of such notification and documents, if any, pay to you all monies paid by you for the Placement Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk, and the Placement Shares issued and/or transferred to you shall be void, provided however, that such monies shall be returned to you subject to and against the return or transfer of the Placement Shares free from and clear of any liens, pledges, encumbrances or other third party rights to our Company. You shall not have any claim whatsoever against our Company, the Vendor, the Sponsor and Issue Manager or the Placement Agent.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw your application or return the Placement Shares allotted and/or allocated to you, may be found in such Relevant Document.

- 14. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Placement Shares allotted and/or allocated to you pursuant to your application, to our Company, the Vendor, the Sponsor and Issue Manager, the Placement Agent, and any other parties so authorised by the foregoing persons.
- 15. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an appointed nominee and trustee applying for the Placement Shares by way of an Application Form applying for the Placement Shares through the Placement Agent.
- 16. By completing and delivering an Application Form in accordance with the provisions of this Offer Document, you:
 - (i) irrevocably offer, agree and undertake to subscribe for and/or purchase the number of Placement Shares specified in your application (or such smaller number for which the application is accepted) at the Placement Price and agree that you will accept such

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Placement Shares as may be allotted and/or allocated to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Constitution of our Company;

- (ii) agree that the aggregate Placement Price for the Placement Shares applied for is due and payable to our Company upon your application;
- (iii) (A) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, share application amount, share application details, the outcome of your application (including the number of Placement Shares allotted and/or allocated to you pursuant to your application), and other personal data (“**Personal Data**”) by the Share Registrar, CDP, Securities Clearing and Computer Services (Pte.) Ltd (“**SCCS**”), SGX-ST, our Company, the Vendor, the Sponsor and Issue Manager, the Placement Agent and/or other authorised operators (the “**Relevant Persons**”) for the purpose of facilitating and processing your application for the Placement Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules and/or guidelines (collectively, the “**Purposes**”) and warrant that such Personal Data is true, accurate and correct; (B) consent that the Relevant Persons may disclose or share the Personal Data with third parties who provide necessary services to the Relevant Persons, such as service providers working for them and providing services such as hosting and maintenance services, delivery services, handling of payment transactions, and consultants and professional advisers; (C) consent that the Relevant Persons may transfer Personal Data to any location outside of Singapore in order for them to provide the requisite support and services in connection with the Placement Shares; (D) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons for the Purposes, you have obtained the consent of the beneficial owner(s) to paragraphs 16(iii)(A), (B) and (C) and that any disclosure of the Personal Data to the Relevant Persons is in compliance with all applicable laws; (E) agree that the Relevant Persons may do anything or disclose any Personal Data or matters without notice to you if our Company, the Vendor, the Sponsor and Issue Manager or the Placement Agent considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body; and (F) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Persons shall be entitled to enforce this indemnity (collectively, the “**Personal Data Privacy Terms**”);
- (iv) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company, the Vendor, the Sponsor and Issue Manager and the Placement Agent in determining whether to accept your application and/or whether to allot and/or allocate any Placement Shares to you; and
- (v) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of our Company, the Vendor, the Sponsor and Issue Manager and/or the Placement Agent will infringe any such laws as a result of the acceptance of your application.

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17. Our acceptance of applications will be conditional upon, *inter alia*, our Company, the Vendor, the Sponsor and Issue Manager and the Placement Agent being satisfied that:
- (i) permission has been granted by the SGX-ST to deal in and for quotation of all our existing Shares (including the Vendor Shares), the New Shares, and the NCF Shares on Catalist;
 - (ii) the Management Agreement and the Placement Agreement referred to in the section entitled “General and Statutory Information – Management and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company may determine; and
 - (iii) the Authority, the SGX-ST or other competent authority has not served a stop order (“**Stop Order**”) which directs that no or no further shares to which this Offer Document relates be allotted and/or allocated.
18. In the event that a Stop Order in respect of the Placement Shares is served by the Authority, the SGX-ST or other competent authority, and applications to subscribe for and/or purchase the Placement Shares have been made prior to the Stop Order, then:
- (i) where the Placement Shares have not been issued and/or transferred to you, the applications for the Placement Shares shall be deemed to have been withdrawn and cancelled, and our Company (and on behalf of the Vendor) shall, within 14 days from the date of the Stop Order, refund all monies you have paid in respect of your application for the Placement Shares; or
 - (ii) where the Placement Shares have already been issued and/or transferred to you but trading has not commenced, our Company (and on behalf of the Vendor) shall, within 14 days from the date of the Stop Order, pay to you all monies paid by you to us for the Placement Shares, and the issue and/or transfer of the Placement Shares shall be deemed to be void.

Such monies paid in respect of an application will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, and you will not have any claims against our Company, the Vendor, the Sponsor and Issue Manager and the Placement Agent, provided however, that such monies shall be returned to you subject to and against the return or transfer of the Placement Shares within such 14 day period free from and clear of any liens, pledges, encumbrances or other third party rights to our Company or in accordance with our Company’s instructions in relation to the returns of such monies or return or transfer of the Placement Shares, and our Company shall, at our discretion, act with respect to and dispose of the Placement Shares, in such manner as may be permitted by the applicable laws.

This shall not apply where only an interim Stop Order has been served.

19. In the event that an interim Stop Order in respect of the Placement Shares is served by the Authority, the SGX-ST or other competent authority, no Placement Shares shall be issued and/or transferred to you during the time when the interim Stop Order is in force.

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20. The Authority, the SGX-ST or other competent authority may not serve a Stop Order in respect of the Placement Shares if the Placement Shares have been issued and/or transferred and listed on the SGX-ST and trading in the Placement Shares has commenced.
21. In the event of any changes in the closure of the Application List or the time period during which the Placement is open, we will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com> and through an advertisement in a local English newspaper.
22. We will not hold any application in reserve.
23. All payments in respect of any application for the Placement Shares, and all refunds where (a) an application is rejected or accepted in part only, or (b) the Placement does not proceed for any reason, shall be made in Singapore dollars.
24. Our Company and the Vendor will not allot and/or allocate shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.
25. Additional terms and conditions for applications by way of Application Forms are set out on pages H-7 to H-10 of this Offer Document.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in this section entitled “Appendix H – Terms, Conditions and Procedures for Applications and Acceptances” of this Offer Document as well as the Constitution of our Company.

1. Your application for the Placement Shares must be made using the **BLUE** Application Form for Placement Shares accompanying and forming part of this Offer Document. **ONLY ONE APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the Application Form and this Offer Document for the completion of the Application Form which must be carefully followed. **Our Company, and the Vendor, in consultation with the Sponsor and Issue Manager and the Placement Agent, reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Form and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances which are not honoured upon their first presentation.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms, except those under the heading “**FOR OFFICIAL USE ONLY**”, must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.

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4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passports and, in the case of corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Constitution or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with our Company's Share Registrar. Our Company and the Vendor reserve the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B and sign on page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporations.

If you are an approved nominee company, you are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0 per cent. of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Placement Shares applied for, in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**MEDINEX SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**", with your name, CDP Securities Account Number and address written clearly on the reverse side. **Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted.** No combined Banker's Draft or Cashier's Order for different CDP Securities Accounts shall be accepted. We will reject remittances bearing "**NOT TRANSFERABLE**" or "**NON TRANSFERABLE**" crossings. No acknowledgement of receipt will be issued by our Company, the Vendor, the Sponsor and Issue Manager or the Placement Agent for applications and application monies received.

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8. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Placement is cancelled by us following the termination of the Management Agreement and/or the Placement Agreement or the Placement does not proceed for any reason, the application monies received will be refunded (without interest or any share of revenue or any other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within five (5) Market Days of the termination of the Placement. In the event that the Placement is cancelled by us following the issuance of a Stop Order by the Authority, the SGX-ST, or other competent authority, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or telegraphic transfer at your own risk within 14 Market Days from the date of the Stop Order.
9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fire, acts of God and other events beyond the control of our Company, our Directors, the Vendor, the Sponsor and Issue Manager, the Placement Agent and/or any other party involved in the Placement and if, in any such event, our Company, the Vendor, the Sponsor and Issue Manager and/or the Placement Agent do not receive your Application Form, you shall have no claim whatsoever against our Company, our Directors, the Vendor, the Sponsor and Issue Manager, the Placement Agent and/or any other party involved in the Placement for the Placement Shares applied for or for any compensation, loss or damage.
11. By completing and delivering the Application Form, you agree that:
 - (i) in consideration of our Company (and on behalf of the Vendor) having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 5 December 2018** or such other time or date as our Company and the Vendor may, in consultation with the Sponsor and Issue Manager and the Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST, and by completing and delivering the Application Form, you agree that:
 - (a) your application is irrevocable; and
 - (b) your remittance will be honoured on first presentation and that any application monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (ii) none of our Company, the Vendor, the Sponsor and Issue Manager, the Placement Agent or any other party involved in the Placement shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any notes referred to in paragraph 10 above or to any cause beyond their respective controls;

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- (iii) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (iv) in respect of the Placement Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
- (v) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (vi) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Vendor, the Sponsor and Issue Manager, the Placement Agent or any other person involved in the Placement shall have any liability for any information not so contained;
- (vii) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
- (viii) you irrevocably agree and undertake to subscribe for and/or purchase the number of Placement Shares applied for as stated in the Application Form or any smaller number of such Placement Shares that may be allotted and/or allocated to you in respect of your application. In the event that our Company and the Vendor decide to allot and/or allocate any smaller number of Placement Shares or not to allot and/or allocate any Placement Shares to you, you agree to accept such decision as final.

Applications for Placement Shares

1. Your application for Placement Shares **MUST** be made using the **BLUE** Placement Shares Application Forms or directly through the Sponsor and Issue Manager or the Placement Agent, who will determine, at their discretion, the manner and method for applications under the Placement. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed and signed **BLUE** Placement Shares Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name, address and CDP Securities Account Number written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND at your own risk to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623**, to arrive by **12.00 noon on 5 December 2018 or such other time as our Company and the Vendor may, in consultation with the Sponsor and Issue Manager and the Placement Agent, in their absolute discretion decide. Local Urgent Mail or Registered Post must NOT be used. ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittances which are not honoured upon their first presentation are liable to be rejected.



MEDINEX LIMITED

(Company Registration No.: 200900689W)
(Incorporated in Singapore on 12 January 2009)