

MEDINEX LIMITED

Incorporated in the Republic of Singapore

Registration No. 200900689W

ENTRY INTO CONVERTIBLE LOAN AGREEMENT WITH SINGAPORE PAINCARE HOLDINGS PTE. LTD.

1. INTRODUCTION

The Board of Directors (the "**Board**") of Medinex Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that it has today, together with Shinex Capital Pte. Ltd. ("**Shinex Capital**"), an investment holding company and a controlling shareholder of the Company and other independent parties (collectively, the "**Lenders**"), entered into a convertible loan agreement ("**Convertible Loan Agreement**") with Singapore Paincare Holdings Pte. Ltd. ("**SPH**") to grant SPH a convertible loan of an aggregate principal sum of S\$2.7 million, subject to the terms and conditions of the Convertible Loan Agreement (the "**Convertible Loan**").

Pursuant to the Convertible Loan Agreement, the Company will grant to SPH a loan amount of S\$750,000 ("**Loan Amount**"). Shinex Capital will also grant to SPH a loan amount of S\$750,000 on the same terms and conditions as the Company, as set out within the Convertible Loan Agreement. The Convertible Loan may be converted into fully paid-up new ordinary shares in SPH subject to the terms and conditions of the Convertible Loan Agreement.

The Company and Shinex Capital do not have an existing equity interest in SPH prior to the participation in the Convertible Loan. Based on the terms of the Convertible Loan Agreement, the audit committee of the Company is of the view that (i) the risks and rewards of the provision of the Convertible Loan are in proportion to the amount invested by each of the Company and Shinex Capital; and (ii) the provision of the Convertible Loan is not prejudicial to the interests of the Company and its minority shareholders.

2. RATIONALE FOR THE CONVERTIBLE LOAN

The Board is of the view that SPH has potential for growth and the provision of the Convertible Loan, which may be converted into fully paid-up new ordinary shares in SPH, represents an opportunity for the Group to participate in a pain management related group, potentially unlocking additional value for the Group.

3. FUNDING OF THE CONVERTIBLE LOAN

The Loan Amount will be funded through the net proceeds from the placement of shares pursuant to the Company's initial public offering ("IPO") in December 2018. Subsequent to the Drawdown Date (as defined below), the status on the use of the IPO net proceeds will be as follows:

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

Notes:

- (1) Utilised for the acquisition of Sen Med Holdings Pte. Ltd., Ark Leadership & Learning Pte. Ltd., SKI Consultancy Pte. Ltd. and SKI Corporate Services Pte. Ltd. (including S\$120,000 earmarked for the remaining purchase consideration for the acquisition of SKI Consultancy Pte. Ltd. and SKI Corporate Services Pte. Ltd., which has not been disbursed by the Company as at the date of this announcement).
- (2) Utilised for the payment of listing expenses and the provision of the Loan Amount.

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

The provision of the Convertible Loan to SPH is not expected to have any material impact on the consolidated earnings per share or net tangible assets per share of the Group for the current financial year ending 31 December 2019.

4. PRINCIPAL TERMS OF THE CONVERTIBLE LOAN AGREEMENT

4.1 Drawdown

The Convertible Loan shall be made available by the Lenders on the date falling seven (7) business days from the fulfilment (or waiver) of the conditions precedent, or such other date as mutually agreed in writing between SPH and the Lenders (the "**Drawdown Date**").

4.2 Conditions Precedent

The Convertible Loan Agreement is conditional upon, *inter alia*, the fulfilment (or waiver) of the following conditions on or prior to the Drawdown Date:

- (a) the receipt of the unaudited management accounts of SPH, its subsidiaries and associated companies for the financial years ended 30 June 2017, 2018 and 2019;
- (b) the representations, undertakings and warranties of the Lenders and SPH, including but not limited to the warranties by the Lenders and SPH being complied with, are true, accurate and correct in all material respects by reference to the circumstances existing as at each of the date of the Convertible Loan Agreement and the Drawdown Date;

- (c) all approvals and consents (including without limitation any governmental, regulatory and/or corporate approvals and consents) for the transactions contemplated under the Convertible Loan Agreement being obtained and not withdrawn or amended, and if any such approvals and consents are given subject to conditions, such conditions being fulfilled or waived;
- (d) no event or series of events having occurred which has or is likely to have a material adverse effect as at the Drawdown Date; and
- (e) SPH not being in breach of any of its obligations under the Convertible Loan Agreement as at the Drawdown Date.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

HC Surgical Specialists Limited, a controlling shareholder of the Company, holds 4.82% shareholdings interest in SPH.

SPH has entered into an agreement with the Group for the provision of business support and human resources services to SPH, its subsidiaries and associated companies.

Save for Shinex Capital which is a party to the Convertible Loan Agreement and as disclosed above, none of the Directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in SPH or the Convertible Loan Agreement.

By Order of the Board

Jessie Low Mui Choo
Executive Director and Chief Executive Officer

30 July 2019

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

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

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

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.