

APPENDIX DATED 15 APRIL 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined herein.

If you have sold or transferred all your shares in the capital of Medtecs International Corporation Limited (the "**Company**") and together with its subsidiaries, the "**Group**"), you should immediately inform the purchaser, transferee, bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Appendix (together with the Annual Report, Notice of Annual General Meeting and accompanying Proxy Forms) may be accessed at the Company's website at the URL <https://www.medtecs.com/investor-relations/agsm-and-agsm/> and SGXNET.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, R & T Corporate Services Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**" or the "**SGX-ST**").

This Appendix has not been examined or approved by the Exchange. The Exchange assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The contact persons for the Sponsor are Ms. Evelyn Wee Kim Lin (Telephone Number: +65 6232 0724) and Mr. Howard Cheam Heng Haw (Telephone Number: +65 6232 0685), R & T Corporate Services Pte. Ltd., 9 Straits View, #06-07 Marina One West Tower, Singapore 018937.

This Appendix has been made available on SGXNET and the Company's website and may be accessed at the URL <https://www.medtecs.com/investor-relations/agsm-and-agsm/>. **A printed copy of this Appendix will NOT be despatched to Shareholders.**



MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 15 APRIL 2024

IN RELATION TO

- (A) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (B) THE PROPOSED ADOPTION OF THE MEDTECS SHARE OPTION SCHEME**

TABLE OF CONTENTS

| | |
|--|-----------|
| 1. INTRODUCTION..... | 9 |
| 2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE..... | 9 |
| 3. THE PROPOSED ADOPTION OF THE SHARE OPTION SCHEME | 24 |
| 4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS..... | 34 |
| 5. DIRECTORS' RECOMMENDATIONS | 34 |
| 6. ABSTENTION FROM VOTING | 35 |
| 7. DIRECTORS' RESPONSIBILITY STATEMENT | 35 |
| 8. DOCUMENTS AVAILABLE FOR INSPECTION..... | 35 |

DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

- "2002 Share Option Scheme"** : The share option scheme which was adopted at a special general meeting of the Company held on 30 May 2002 for a duration of ten (10) years commencing from the date of adoption, was renewed at a special general meeting of the Company held on 30 April 2012 for a further duration of ten (10) years commencing from 30 May 2012 and expired on 29 May 2022
- "2023 Appendix"** : The appendix to the Notice of Annual General Meeting dated 15 June 2023 in relation to the proposed renewal of the Share Purchase Mandate
- "Aggregate Exercise Price"** : The total amount payable for Scheme Shares to be acquired by an Option Holder on the exercise of an Option
- "AGM"** : The annual general meeting of the Company which is to be held on 30 April 2024
- "Annual Report"** : The annual report of the Company for FY2023
- "Appendix"** : This appendix to the Notice of AGM dated 15 April 2024
- "Appendix 2"** : Has the meaning ascribed to it in Section 2.14 of this Appendix
- "Associate"** :
- (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
 - (i) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling and parent);
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
 - (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- "Average Closing Price"** : Has the meaning ascribed to it in Section 2.3.4 of this Appendix
- "Bermuda Companies Act"** : The Companies Act 1981 of Bermuda, as amended, modified or supplemented from time to time

DEFINITIONS

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| "Board" | : The Board of Directors of the Company as at the Latest Practicable Date |
| "Bye-laws" | : The Bye-laws of the Company, as amended, varied or supplemented from time to time |
| "Catalist" or "Catalist Board" | : The sponsor-supervised listing platform of the SGX-ST |
| "Catalist Rules" | : Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as amended, modified and supplemented from time to time |
| "CDP" | : The Central Depository (Pte) Limited |
| "Closing Market Price" | : Has the meaning ascribed to it in Section 2.3.4 of this Appendix |
| "Committee" | : The committee comprising Directors appointed by the Board to administer the Share Option Scheme |
| "Company" | : Medtecs International Corporation Limited |
| "Controlling Shareholder" | : A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company, unless determined by the SGX-ST that such person is not a controlling shareholder; or (b) in fact exercises control over the Company |
| "Date of Grant" | : The date on which an Option is granted to an Eligible Person pursuant to Rule 5(e) of the Scheme Rules |
| "date of the making of the offer" | : Has the meaning ascribed to it in Section 2.3.4 of this Appendix |
| "Depositor Proxy Form" | : The depositor proxy form in respect of the AGM to be despatched to the depositors |
| "Depository Charges" | : All fees of the Depository relating to or in connection with the issue and allotment and/or transfer of any Scheme Shares, the deposit of share certificate(s) with the Depository, the Option Holder's securities account with the Depository, or the Option Holder's securities sub-account with a depository agent |
| "Directors" | : The directors of the Company as at the Latest Practicable Date, and "Director" means any one of them |
| "Eligible Person" | : Any Group Employee, including any Executive Director, Non-Executive Director, Controlling Shareholder and his Associate, selected by the Committee to participate in the Share Option Scheme in accordance with Rule 5(a) of the Scheme Rules |
| "EPS" | : Earnings per Share |

DEFINITIONS

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| "Executive Director" | : A director of the Company or its subsidiaries who performs an executive function |
| "Exercise Price" | : The price per Scheme Share to be paid upon exercise of an Option |
| "FY2022" | The financial year ended 31 December 2022 |
| "FY2023" | The financial year ended 31 December 2023 |
| "Group" | : The Company and its subsidiaries from time to time |
| "Group Employee" | : Any full-time employee of the Group |
| "Independent Director" | : An independent Director |
| "Latest Practicable Date" | : 12 April 2024, being the latest practicable date prior to the issue of this Appendix |
| "Market Day" | : A day on which the SGX-ST is open for trading in securities |
| "Market Purchase" | : Has the meaning ascribed to it in Section 2.3.3 of this Appendix |
| "Market Price" | : The average of the last dealt prices per Share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price of the Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded |
| "Maximum Price" | : Has the meaning ascribed to it in Section 2.3.4 of this Appendix |
| "Memorandum" | : The Memorandum of Association of the Company, as amended, varied or supplemented from time to time |
| "Non-Executive Director" | : A director of the Company or its subsidiaries who does not perform an executive function |
| "Notice of AGM" | : Notice of the AGM dated 15 April 2024 |
| "NTA" | : Net tangible assets |
| "Off-Market Purchase" | : Has the meaning ascribed to it in Section 2.3.3 of this Appendix |
| "Option" | : A right to subscribe for Scheme Shares granted or to be granted pursuant to the Share Option Scheme |
| "Option Exercise Period" | Has the meaning ascribed to it in Section 3.3.7 of this Appendix |
| "Option Holder" | : The holder of an Option |

DEFINITIONS

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| "Participant" | : Any Eligible Person selected by the Committee to participate in the Share Option Scheme in accordance with Rule 5(a) of the Scheme Rules |
| "Proxy Forms" | : The Shareholder Proxy Form and the Depositor Proxy Form |
| "P&L" | Has the meaning ascribed to it in Section 3.7.4 of this Appendix |
| "Relevant Period" | : The period commencing from the date on which the AGM is held and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, after the date the Resolution relating to the Share Purchase Mandate has passed |
| "Scheme Rules" | : The rules of the Share Option Scheme, as amended, modified, or supplemented from time to time |
| "Scheme Share" | : A Share to be issued or transferred from time to time pursuant to the exercise of Options granted under the Share Option Scheme |
| "Securities Accounts" | : Securities accounts maintained by depositors with CDP, but not including securities sub-accounts maintained with a depository agent |
| "SFA" | : The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time |
| "SFRS(I) 2" | Singapore Financial Reporting Standard (International) 2 – Share-based Payment |
| "SGX-ST" or "Exchange" | : Singapore Exchange Securities Trading Limited |
| "Share Option Scheme" | : The Medtecs Share Option Scheme proposed to be adopted at the AGM, as amended, modified or altered from time to time |
| "Share Purchase" | : The purchase or acquisition by the Company of its Shares pursuant to the Share Purchase Mandate |
| "Share Purchase Mandate" | : The mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of such mandate |
| "Share Registrar" | : The share registrar of the Company |
| "Shareholders" or "members" | : Registered holders of Shares in the Company's Register of Members, except that where the registered holder is CDP, the term " Shareholders " or " members " shall, in relation to such Shares, and where the context permits, mean the persons named as depositors in the Depository Register maintained by the CDP and whose Securities Accounts maintained by the CDP are credited with those Shares |
| "Shares" | : Ordinary shares in the capital of the Company |
| "Shareholder Proxy Form" | : The shareholder proxy form in respect of the AGM to be despatched to Shareholders |

DEFINITIONS

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|---------------------------|---|
| "SIC" | : The Securities Industry Council of Singapore |
| "Singapore Companies Act" | : The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time |
| "Sponsor" | : The sponsor of the Company, R & T Corporate Services Pte. Ltd. |
| "Substantial Shareholder" | : A person (including a corporation) who has an interest, directly or indirectly, in one or more voting Shares and the total votes attached to such Share(s) is not less than 5% of the total votes attached to all the voting Shares (excluding any Treasury Shares) |
| "Take-Over Code" | : The Singapore Code on Take-Over and Mergers, as may be amended or modified from time to time |
| "Treasury Share" | : A Share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled |
| "usage" | : Has the meaning ascribed to it in Section 2.5.3 of this Appendix |
| "S\$" or "\$" | : Singapore dollars, the lawful currency of Singapore |
| "US\$" or "USD" | : United States dollar, the lawful currency of the United States of America |
| "%" or "per cent." | : Percentage or per centum |

The terms "**subsidiary**", "**subsidiary holdings**", "**holding company**" and "**associated company**" shall have the meanings ascribed to it in the Catalist Rules and Section 5 of the Singapore Companies Act, as the case may be.

The terms "**Depository**", "**depositor**", "**depository agent**" and "**Depository Register**" shall have the meanings ascribed to them in Section 81SF of the SFA.

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 Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Bermuda Companies Act, the Singapore Companies Act, the SFA, the Catalist Rules, the Take-Over Code or any relevant laws of Bermuda or Singapore or any modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Bermuda Companies Act, the Singapore Companies Act, the SFA, the Catalist Rules, the Take-Over Code or any relevant laws of Bermuda or Singapore or any modification thereof, as the case may be, unless otherwise provided.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated.

DEFINITIONS

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

Rajah & Tann Singapore LLP has been appointed as the legal adviser to the Company as to Singapore law in relation to the proposed renewal of the Share Purchase Mandate and the proposed adoption of the Share Option Scheme. Conyers Dill & Pearman Pte. Ltd. has been appointed as the legal adviser to the Company as to Bermuda law in relation to the proposed renewal of the Share Purchase Mandate and the proposed adoption of the Share Option Scheme.

MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)

Board of Directors

Mr. Clement Yang Ker-Cheng (*Executive Chairman*)
Mr. William Yang Weiyuan (*Deputy Chairman, Executive Director and Chief Executive Officer*)
Mr. Lim Tai Toon (*Lead Independent Director*)
Ms. Carol Yang Xiao-Qing (*Independent Director*)
Dr. Nieh Chien-Chung (*Independent Director*)

Registered Office

Clarendon House,
2 Church Street,
Hamilton HM11,
Bermuda

15 April 2024

To: **The Shareholders of Medtecs International Corporation Limited**

Dear Sir / Madam

1. INTRODUCTION

- 1.1 The Company will be holding its annual general meeting at 2:00pm on 30 April 2024 at 600 North Bridge Road, #05-01 Parkview Square, Singapore 188778, notice of which has been circulated along with the accompanying Proxy Forms to Shareholders on 15 April 2024.
- 1.2 The purpose of this Appendix is to provide Shareholders with information relating to, and the rationale for:
- 1.2.1 the proposed renewal of the Share Purchase Mandate; and
- 1.2.2 the proposed adoption of the Share Option Scheme,
- and to seek their approval for the foregoing matters at the AGM.
- 1.3 For the avoidance of doubt, depositors holding Shares through CDP are not recognised, under the Bye-laws and the Bermuda Companies Act, as members of the Company in respect of the number of Shares credited to their respective Securities Accounts. Accordingly, depositors do not have a right under the Bermuda Companies Act or the Bye-laws to attend and to vote at the AGM other than through CDP, the latter being the registered holder of Shares in the Company's Register of Members.
- 1.4 However, administrative arrangements have been made with CDP to allow depositors to take part in the AGM. Depositors who wish to participate in the AGM and exercise their votes, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the AGM supplied by CDP to the Company, may participate in the AGM as CDP's proxies. Please refer to the Notice of AGM in respect of the action to be taken if you wish to attend and/or vote at the AGM.
- 1.5 For the purpose of this Appendix, the term "**Shareholders**" has been defined to also include reference to depositors where the context permits and they will accordingly be treated administratively herein, where the context permits, as Shareholders in respect of the proposed renewal of the Share Purchase Mandate and the proposed adoption of the Share Option Scheme.
- 1.6 If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.
- 1.7 The SGX-ST assumes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

- 2.1.1 As a Bermuda-incorporated company which is listed on the Catalist Board, any purchases or acquisitions of Shares by the Company will have to be made in accordance with and subject to the provisions of the Catalist Rules, the Take-Over Code, the Bermuda Companies Act, the Memorandum, the Bye-laws and such other laws and regulations as may from time to time be applicable.
- 2.1.2 Under the Bermuda Companies Act, a company incorporated in Bermuda may, if authorised to do so by its memorandum of association or bye-laws, purchase its own shares provided that no such purchase may be effected if, on the date which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due. Paragraph 7(2) of the Memorandum and Bye-law 3(2) provides that the Company may purchase its own Shares.
- 2.1.3 Under Rule 866 of the Catalist Rules, a company may purchase or acquire its own shares if it has obtained the prior specific approval of its shareholders in a general meeting. Accordingly, approval is being sought from the Shareholders at the AGM for the renewal of the Share Purchase Mandate to enable the Company to purchase or acquire its issued Shares. Shareholders had previously approved the renewal of the Share Purchase Mandate at the last annual general meeting of the Company for FY2022 held on 30 June 2023. The authority and limitations of the Share Purchase Mandate were set out in the 2023 Appendix. The authority conferred by the Share Purchase Mandate renewed at the last annual general meeting of the Company was expressed to continue in force up to the date on which the next annual general meeting of the Company is held or required by law to be held and, as such, would be expiring on 30 April 2024, being the date of the AGM. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the AGM.
- 2.1.4 If approved at the AGM, the authority conferred by the Share Purchase Mandate will take effect from the date thereof and continue in force until (a) the next annual general meeting of the Company (whereupon it will lapse, unless renewed at such meeting), (b) it is varied or revoked by the Company in a general meeting (if so varied or revoked prior to the next annual general meeting of the Company), (c) the date on which purchases and/or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, or (d) the date falling 12 months from the date of the AGM, whichever is the earliest.

2.2 Rationale for the Share Purchase Mandate

- 2.2.1 The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:
- (a) the Share Purchase Mandate will provide the Company with the flexibility to undertake share purchases and acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force;
 - (b) to provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirement in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NTA per Share when the Share Purchase Mandate is in force;
 - (c) to help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholders' confidence; and
 - (d) Shares purchased pursuant to the Share Purchase Mandate will either be cancelled or held as Treasury Shares as may be determined by the Directors. The Share Purchase Mandate may be used to purchase existing issued Shares which may then be held in treasury, and such Treasury Shares may consequently be transferred for the purposes of or pursuant to the Company's

Share option or award scheme (if any) in order to satisfy the awards given thereunder (if any).

- 2.2.2 The purchase or acquisition of Shares will only be undertaken if the Directors believe it can benefit the Company and its Shareholders. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised.

2.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Purchase Mandate, if renewed at the AGM, are substantially the same as those previously approved by Shareholders at the last annual general meeting of the Company for FY2022 held on 30 June 2023 and are summarised below:

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing no more than 10% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings) as at the date of the AGM, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Bermuda Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any Treasury Shares that may be held by the Company from time to time).

Purely for illustrative purposes, on the basis of the existing total number of issued Shares, being 544,911,240 Shares (excluding any Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the AGM, not more than 54,491,124 Shares (representing 10% of the total number of issued Shares as at that date (excluding any Treasury Shares and subsidiary holdings)) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

However, as stated in Section 2.2.2 above and Section 2.7 below, purchases or acquisitions of Shares pursuant to the Share Purchase Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that would affect the listing status of the Company on the SGX-ST. The public float of the Company as at the Latest Practicable Date is disclosed in Section 2.9 below.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the AGM, at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next annual general meeting of the Company is held or required to be held (whereupon it will lapse, unless renewed at such meeting);
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company at a general meeting (if so varied or revoked prior to the next annual general meeting of the Company); or
- (c) the date on which purchases and/or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

- (d) the date falling 12 months from the date of the AGM.

The authority conferred on the Directors by the Share Purchase Mandate to purchase and/or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next annual general meeting of the Company or at a special general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting of the Company.

2.3.3 Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares by the Company may be made by way of:

- (a) on-market purchases, through the SGX-ST's trading system, or as the case may be, on any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchases**"); and/or
- (b) off-market purchases in accordance with an equal access scheme as defined in Section 76C of the Singapore Companies Act ("**Off-Market Purchases**").

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Catalist Rules, the Bermuda Companies Act, the Memorandum and the Bye-laws and/or other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s).

Under the Singapore Companies Act, an equal access scheme must satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded (i) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements; (ii) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must, as required under Rule 870 of the Catalist Rules, issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-Over Code or other applicable take-over rules;
- (e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market

Purchases), including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions, where relevant, and the total consideration paid for such purchases or acquisitions; and

- (g) whether the Shares purchased by the Company will be cancelled or held as Treasury Shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding related or ancillary expenses in respect of the purchase or acquisition such as brokerage, commission, applicable goods and services tax, stamp duties and clearance fees and other related expenses (where applicable)) to be paid for a Share will be determined by the Directors, provided that such purchase price must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter)

(the "**Maximum Price**").

For the above purposes:

"Average Closing Price" means

- (i) in the case of a Market Purchase, the average of the Closing Market Prices (as defined below) of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company; or
- (ii) in the case of an Off-Market Purchase, the average of the Closing Market Prices (as defined below) of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase,

and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during such five (5) Market Day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

"Closing Market Price" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources; and

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of Purchased Shares**

At the time of each Share Purchase, the Company may decide whether the Shares purchased will be (a) cancelled (in which event, the company's issued, but not its authorised, share capital will be diminished accordingly), (b) held as Treasury Shares in accordance with the Bermuda Companies Act, or (c) partly cancelled and partly held as Treasury Shares, depending on the

needs of the Company and as the Directors deem fit in the interests of the Company at that time.

Under the Bermuda Companies Act, any Share which is purchased by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on such cancellation) unless such Share is purchased or acquired to be held, and is held by the Company as a Treasury Share. When Shares purchased or acquired by the Company are cancelled and not held as Treasury Shares, the issued share capital of the Company will be diminished by the nominal value of such Shares purchased or acquired by the Company. This shall not be taken as reducing the Company's authorised share capital.

Any Shares purchased or acquired by the Company (and not held as Treasury Shares by the Company) and cancelled will automatically be delisted by the SGX-ST and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase.

2.5 Treasury Shares

Under the Bermuda Companies Act, a company may purchase its own shares if authorised by its memorandum of association or bye-laws. Some provisions on treasury shares under the Bermuda Companies Act and the Catalist Rules are summarised below:

2.5.1 Maximum Holdings

The shares so purchased may either be cancelled or held as treasury shares. If the shares purchased are cancelled, the company's issued, but not its authorised, share capital will be diminished accordingly. Under the laws of Bermuda, if a company holds shares as treasury shares, the company shall be entered in the register of members as the member holding the shares but the company is not permitted to exercise any rights in respect of those shares (including any right to attend and vote at meetings), and any purported exercise of such right is void.

A company may not acquire its own shares to be held as treasury shares if, as a result of the acquisition, all of the company's issued shares, other than the shares to be held as treasury shares, would be non-voting shares.

No acquisition by a company of its own shares may be effected if, on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due.

2.5.2 Voting and Other Rights

A company that holds shares as treasury shares cannot exercise any right in respect of the treasury shares including any right to attend and vote at meetings and any purported exercise of such a right is void.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distributions of assets to members on a winding up) may be made, to the company in respect of treasury shares. However, the making of an allotment of shares as fully paid bonus shares in respect of treasury shares is allowed and any such bonus shares shall be treated for the purposes of the Bermuda Companies Act as if they had been acquired by the company at the time they were allotted.

2.5.3 Disposal and Cancellation

Where shares are held as treasury shares, a company may, *inter alia*, at any time:

- (a) continue to hold all or any of such treasury shares;
- (b) dispose of or transfer all or any of the treasury shares for cash or other consideration; or

- (c) cancel all or any of the treasury shares.

A company may transfer any treasury shares for the purpose of or pursuant to an employee share option or award scheme. The number of shares held as treasury shares shall not at any time exceed 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the company.

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed before and after the usage, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

Under the Bermuda Companies Act, a purchase of shares may only be funded, so long as the company is solvent, out of the capital paid-up on the shares to be purchased, or out of the funds of the company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares made for the purpose of the purchase and the premium payable on the purchase (i.e. the amount paid in excess of the nominal value of the shares to be purchased) must be provided for out of the funds of the company which would otherwise be available for dividend or distribution, or out of the company's share premium account before the shares are purchased. Any amount due to a shareholder by a company on purchase of its own shares may be (i) paid in cash, (ii) satisfied by the transfer of any part of the undertaking or property of the company having the same value or (iii) satisfied partly in cash and partly by the transfer of any part of the undertaking or property of the company having the same value.

In undertaking Share Purchases, the Company may only apply funds legally available for such purchase in accordance with the Bermuda Companies Act, the Memorandum and the Bye-laws, the Catalist Rules as may for the time being be applicable and the applicable laws and regulations in Bermuda and Singapore. The Company may not purchase its Shares for consideration other than cash or, in the case of a Market Purchase, for settlement other than in accordance with the trading rules of the SGX-ST. No purchase or acquisition by the Company of its Shares may be effected if, on the date on which the purchase or acquisition is effected, there are reasonable grounds for believing that the Company is, or after the purchase or acquisition would be, unable to pay its liabilities as they become due.

The Company may use its internal resources of funds and/or external borrowings, or a combination of internal resources and external borrowings to finance the purchase or acquisition of its Shares.

Where a Share Purchase is made out of distributable profits, such purchase (excluding related brokerage, commission, goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where a Share Purchase is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where a Share Purchase is financed through internal resources, it will reduce the cash reserves of the Company, and thus the current assets and Shareholders' funds of the Company. This will result in an increase in the gearing ratios of the Company and a decline in the current ratios of the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where a Share Purchase is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Company and a decline in the current ratios of the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired. The Directors will only make purchases or acquisitions pursuant to the Share Purchase Mandate in circumstances which

they believe will not result in any material adverse effect to the financial condition of the Company and would not cause the Company to be insolvent.

2.7 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of a Share Purchase on the NTA and EPS of the Company as the resultant effect would depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the amount (if any) borrowed by the Company to fund the purchases or acquisitions, the aggregate number of Shares purchased or acquired, the purchase price paid at the relevant time for such Shares and whether the Shares purchased or acquired are held as Treasury Shares or cancelled.

The Company's total number of issued Shares will be diminished by the total number of the Shares purchased by the Company and which are cancelled. The NTA of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the audited consolidated financial statements of the Group for FY2023, are based on the assumptions set out below.

2.7.1 Purchase or Acquisition of Shares made out of Capital and/or Profits

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding any expenses incurred directly in the purchase or acquisition of Shares) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced.

2.7.2 Number of Shares Purchased or Acquired

As at the Latest Practicable Date, the Company has 549,411,240 Shares in issue and holds 4,500,000 Treasury Shares.

Purely for illustrative purposes, on the basis of 544,911,240 Shares in issue (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, assuming that no further Shares are issued on or prior to the AGM and no Shares are purchased and held as Treasury Shares, not more than 54,491,124 Shares (representing 10% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings)) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

2.7.3 Maximum Price Paid for Shares Acquired or Purchased

(a) In the case of Market Purchases by the Company, assuming that the Company purchases or acquires 54,491,124 Shares (representing 10% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings) as at the Latest Practicable Date) at the Maximum Price of S\$0.15 (equivalent to US\$0.11)¹ for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 54,491,124 Shares is approximately S\$8,173,669 (equivalent to US\$5,944,024)¹ (excluding ancillary expenses such as related brokerage, commission, goods and services tax, stamp duties, clearance fees and other related expenses (where applicable)).

(b) In the case of Off-Market Purchases by the Company, assuming that the Company purchases or acquires 54,491,124 Shares (representing 10% of the

¹ Based on the exchange rate of S\$1: US\$0.7387 as at the Latest Practicable Date, as quoted by Bloomberg L.P.

total number of issued Shares (excluding any Treasury Shares and subsidiary holdings) as at the Latest Practicable Date) at the Maximum Price of S\$0.17 (equivalent to US\$0.12)¹ for one Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 54,491,124 Shares is approximately S\$9,263,491 (equivalent to US\$6,538,935)¹ (excluding ancillary expenses such as related brokerage, commission, goods and services tax, stamp duties, clearance fees and other related expenses (where applicable)).

2.7.4 Illustrative Financial Effects

For illustrative purposes only and on the basis of the assumptions set out in Sections 2.7.1 to 2.7.3 above, as well as the following:

- (a) the purchases or acquisitions of the 54,491,124 Shares were carried out on 1 January 2023;
- (b) such purchase or acquisition of Shares is financed solely by the internal resources of the Company available as at 31 December 2023; and
- (c) the transaction costs incurred for such purchase or acquisition of Shares pursuant to the Share Purchase Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects,

the financial effects of the purchase or acquisition of 54,491,124 Shares (representing 10% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings) as at the Latest Practicable Date) pursuant to the Share Purchase Mandate:

- (a) by way of purchases made entirely out of capital and held as Treasury Shares;
- (b) by way of purchases made entirely out of profits and held as Treasury Shares;
- (c) by way of purchases made entirely out of capital and cancelled; and
- (d) by way of purchases made entirely out of profits and cancelled,

on certain information derived from the audited consolidated financial statements of the Group and the Company for FY2023 are set out below:

(A) **Purchase made entirely out of capital and held as Treasury Shares**

| | GROUP | | | COMPANY | | |
|--|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|---------------------------|
| | Before Share Purchase | After Market Purchase | After Off-Market Purchase | Before Share Purchase | After Market Purchase | After Off-Market Purchase |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| <u>As at 31 December 2023 (audited)</u> | | | | | | |
| Share Capital | 27,471 | 27,471 | 27,471 | 27,471 | 27,471 | 27,471 |
| Share Premium | 4,721 | 4,721 | 4,721 | 4,721 | 4,721 | 4,721 |
| Reserves | (245) | (245) | (245) | 666 | 666 | 666 |
| Retained Earnings | 99,618 | 99,618 | 99,618 | 32,071 | 32,071 | 32,071 |
| Non-Controlling Interests | 1,104 | 1,104 | 1,104 | – | – | – |
| Treasury Shares | (2,361) | (8,355) | (8,900) | (2,361) | (8,355) | (8,900) |

| | GROUP | | | COMPANY | | |
|--------------------------------------|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|---------------------------|
| | Before Share Purchase | After Market Purchase | After Off-Market Purchase | Before Share Purchase | After Market Purchase | After Off-Market Purchase |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Total Shareholders' Equity | 130,308 | 124,314 | 123,769 | 62,568 | 56,574 | 56,029 |
| NTA ⁽¹⁾ | 126,945 | 120,951 | 120,406 | 62,568 | 56,574 | 56,029 |
| Current Assets | 95,795 | 89,801 | 89,256 | 26,211 | 20,217 | 19,672 |
| Current Liabilities | 32,968 | 32,968 | 32,968 | 724 | 724 | 724 |
| Working Capital | 62,827 | 56,833 | 56,288 | 25,487 | 19,493 | 18,948 |
| Total Borrowings | 23,861 | 23,861 | 23,861 | – | – | – |
| Cash and Cash Equivalents | 33,041 | 27,047 | 26,502 | 351 | 351 | 351 |
| Number of Shares (in '000) | 544,911 | 490,420 | 490,420 | 544,911 | 490,420 | 490,420 |
| Financial Ratios | | | | | | |
| NTA per Share ⁽²⁾ (cents) | 23.30 | 24.66 | 24.55 | 11.48 | 11.54 | 11.42 |
| Basic EPS ⁽³⁾ (cents) | (3.87) | (4.30) | (4.30) | (3.90) | (4.34) | (4.34) |
| Current Ratio (times) | 2.91 | 2.72 | 2.71 | 36.20 | 27.92 | 27.17 |
| Gearing Ratio ⁽⁴⁾ (times) | 0.18 | 0.19 | 0.19 | – | – | – |

(B) Purchases made entirely out of profits and held as Treasury Shares

| | GROUP | | | COMPANY | | |
|--|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|---------------------------|
| | Before Share Purchase | After Market Purchase | After Off-Market Purchase | Before Share Purchase | After Market Purchase | After Off-Market Purchase |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| <u>As at 31 December 2023 (audited)</u> | | | | | | |
| Share Capital | 27,471 | 27,471 | 27,471 | 27,471 | 27,471 | 27,471 |
| Share Premium | 4,721 | 4,721 | 4,721 | 4,721 | 4,721 | 4,721 |
| Reserves | (245) | (245) | (245) | 666 | 666 | 666 |
| Retained Earnings | 99,618 | 99,618 | 99,618 | 32,071 | 32,071 | 32,071 |
| Non-Controlling Interests | 1,104 | 1,104 | 1,104 | – | – | – |
| Treasury Shares | (2,361) | (8,355) | (8,900) | (2,361) | (8,355) | (8,900) |
| Total Shareholders' Equity | 130,308 | 124,314 | 123,769 | 62,568 | 56,574 | 56,029 |
| NTA ⁽¹⁾ | 126,945 | 120,951 | 120,406 | 62,568 | 56,574 | 56,029 |
| Current Assets | 95,795 | 89,801 | 89,256 | 26,211 | 20,217 | 19,672 |
| Current Liabilities | 32,968 | 32,968 | 32,968 | 724 | 724 | 724 |
| Working Capital | 62,827 | 56,833 | 56,288 | 25,487 | 19,493 | 18,948 |
| Total Borrowings | 23,861 | 23,861 | 23,861 | – | – | – |
| Cash and Cash Equivalents | 33,041 | 27,047 | 26,502 | 351 | 351 | 351 |
| Number of Shares (in '000) | 544,911 | 490,420 | 490,420 | 544,911 | 490,420 | 490,420 |
| Financial Ratios | | | | | | |
| NTA per Share ⁽²⁾ (cents) | 23.30 | 24.66 | 24.55 | 11.48 | 11.54 | 11.42 |
| Basic EPS ⁽³⁾ (cents) | (3.87) | (4.30) | (4.30) | (3.90) | (4.34) | (4.34) |
| Current Ratio (times) | 2.91 | 2.72 | 2.71 | 36.20 | 27.92 | 27.17 |
| Gearing Ratio ⁽⁴⁾ (times) | 0.18 | 0.19 | 0.19 | – | – | – |

(C) Purchases made entirely out of capital and cancelled

| | Before Share Purchase | GROUP After Market Purchase | After Off- Market Purchase | Before Share Purchase | COMPANY After Market Purchase | After Off- Market Purchase |
|---|-----------------------------|--------------------------------------|----------------------------------|-----------------------------|--|----------------------------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| As at 31 December 2023 (audited) | | | | | | |
| Share Capital | 27,471 | 24,746 | 24,746 | 27,471 | 24,746 | 24,746 |
| Share Premium | 4,721 | 4,252 | 4,252 | 4,721 | 4,252 | 4,252 |
| Reserves | (245) | (245) | (245) | 666 | 666 | 666 |
| Retained Earnings | 99,618 | 96,818 | 96,273 | 32,071 | 29,271 | 28,726 |
| Non-Controlling Interests | 1,104 | 1,104 | 1,104 | – | – | – |
| Treasury Shares | (2,361) | (2,361) | (2,361) | (2,361) | (2,361) | (2,361) |
| Total Shareholders' Equity | 130,308 | 124,314 | 123,769 | 62,568 | 56,574 | 56,029 |
| NTA ⁽¹⁾ | 126,945 | 120,951 | 120,406 | 62,568 | 56,574 | 56,029 |
| Current Assets | 95,795 | 89,801 | 89,256 | 26,211 | 20,217 | 19,672 |
| Current Liabilities | 32,968 | 32,968 | 32,968 | 724 | 724 | 724 |
| Working Capital | 62,827 | 56,833 | 56,288 | 25,487 | 19,493 | 18,948 |
| Total Borrowings | 23,861 | 23,861 | 23,861 | – | – | – |
| Cash and Cash Equivalents | 33,041 | 27,047 | 26,502 | 351 | 351 | 351 |
| Number of Shares (in '000) | 544,911 | 490,420 | 490,420 | 544,911 | 490,420 | 490,420 |
| Financial Ratios | | | | | | |
| NTA per Share ⁽²⁾ (cents) | 23.30 | 24.66 | 24.55 | 11.48 | 11.54 | 11.42 |
| Basic EPS ⁽³⁾ (cents) | (3.87) | (4.30) | (4.30) | (3.90) | (4.34) | (4.34) |
| Current Ratio (times) | 2.91 | 2.72 | 2.71 | 36.20 | 27.92 | 27.17 |
| Gearing Ratio ⁽⁴⁾ (times) | 0.18 | 0.19 | 0.19 | – | – | – |

(D) Purchases made entirely out of profits and cancelled

| | Before Share Purchase | GROUP After Market Purchase | After Off- Market Purchase | Before Share Purchase | COMPANY After Market Purchase | After Off- Market Purchase |
|---|-----------------------------|--------------------------------------|----------------------------------|-----------------------------|--|----------------------------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| As at 31 December 2023 (audited) | | | | | | |
| Share Capital | 27,471 | 27,471 | 27,471 | 27,471 | 27,471 | 27,471 |
| Share Premium | 4,721 | 4,721 | 4,721 | 4,721 | 4,721 | 4,721 |
| Reserves | (245) | (245) | (245) | 666 | 666 | 666 |
| Retained Earnings | 99,618 | 93,624 | 93,079 | 32,071 | 26,077 | 25,532 |
| Non-Controlling Interests | 1,104 | 1,104 | 1,104 | – | – | – |
| Treasury Shares | (2,361) | (2,361) | (2,361) | (2,361) | (2,361) | (2,361) |
| Total Shareholders' Equity | 130,308 | 124,314 | 123,769 | 62,568 | 56,574 | 56,029 |
| NTA ⁽¹⁾ | 126,945 | 120,951 | 120,406 | 62,568 | 56,574 | 56,029 |
| Current Assets | 95,795 | 89,801 | 89,256 | 26,211 | 20,217 | 19,672 |
| Current Liabilities | 32,968 | 32,968 | 32,968 | 724 | 724 | 724 |
| Working Capital | 62,827 | 56,833 | 56,288 | 25,487 | 19,493 | 18,948 |
| Total Borrowings | 23,861 | 23,861 | 23,861 | – | – | – |
| Cash and Cash Equivalents | 33,041 | 27,047 | 26,502 | 351 | 351 | 351 |
| Number of Shares (in '000) | 544,911 | 490,420 | 490,420 | 544,911 | 490,420 | 490,420 |
| Financial Ratios | | | | | | |

| | GROUP | | | COMPANY | | |
|--------------------------------------|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|---------------------------|
| | Before Share Purchase | After Market Purchase | After Off-Market Purchase | Before Share Purchase | After Market Purchase | After Off-Market Purchase |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| NTA per Share ⁽²⁾ (cents) | 23.30 | 24.66 | 24.55 | 11.48 | 11.54 | 11.42 |
| Basic EPS ⁽³⁾ (cents) | (3.87) | (4.30) | (4.30) | (3.90) | (4.34) | (4.34) |
| Current Ratio (times) | 2.91 | 2.72 | 2.71 | 36.20 | 27.92 | 27.17 |
| Gearing Ratio ⁽⁴⁾ (times) | 0.18 | 0.19 | 0.19 | – | – | – |

Notes:

- (1) NTA refers to net assets less intangible assets.
- (2) NTA per Share equals to NTA divided by the number of Shares outstanding as at the Latest Practicable Date.
- (3) Basic EPS equals to net profit attributable to owners of the Company divided by the weighted average number of Shares during FY2023.
- (4) Gearing equals to total bank and other borrowings divided by total shareholders' equity.

Shareholders should note that the financial effects set out above, based on the respective assumptions stated above, are for illustration purposes only and are not necessarily representative of future financial performance. In particular, it is important to note that the above analysis is based on historical audited figures for FY2023 and is not necessarily representative of future financial performance of the Company. In addition, the actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company and whether the Shares purchased or acquired are held in treasury or cancelled.

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of issued Shares as mandated. In addition, the Company may cancel or hold as Treasury Shares all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, the public float of the Company, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution.

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.9 Listing Status of the Shares

The Catalist Rules requires a listed company to ensure that at least 10% of the total number of its issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is held by the public at all times. The word "public" is defined in the Catalist Rules as persons other than the directors and chief executive officer of the listed company, its Substantial Shareholders, or Controlling Shareholders and its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, approximately 278,611,257 Shares, representing approximately 51.13% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings as well as the Taiwan Depository Receipts) are held by the public. Assuming that (a) the Company repurchased the maximum of 10% of the total number of issued Shares at the Latest Practicable Date from the public; and (b) the number of Shares held by the Substantial Shareholders and Directors remain unchanged, the percentage of Shares held by the public would be reduced to approximately 45.70% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings and the Taiwan Depository Receipts).

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the Share Purchase

Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

The Board, when purchasing Shares, will ensure (i) that there is a sufficient float for an orderly market in the Company's securities, and (ii) that the listing status of the Shares on the Catalist is not affected by such Share Purchase.

2.10 **Share Purchases in the Previous 12 Months**

As at the Latest Practicable Date, the Company has not acquired any Shares pursuant to the Share Purchase Mandate renewed by Shareholders at the last annual general meeting of the Company held on 30 June 2023.

2.11 **Limits on Shareholdings**

The Company does not have any limits on the shareholding of any Shareholder.

2.12 **Catalist Rules**

Whilst the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the Board until the price sensitive information has been publicly announced.

In particular, in line with the best practices on securities dealings set out in Rule 1204(19) of the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's half-year and full-year financial statements (as the Company does not announce quarterly financial statements) and ending on the date of announcement of the relevant financial statements.

2.13 **Reporting Requirements**

Under Rule 871 of the Catalist Rules, the Company shall report all purchase or acquisitions of its Shares to the SGX-ST no later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its Shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D to the Catalist Rules) must include, *inter alia*, details of the total number of Shares authorised for purchase, the date of the purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as Treasury Shares, the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the Shares, the number of Shares purchased as at the date of announcement (on a cumulative basis), the number of issued Shares (excluding any Treasury Shares and subsidiary holdings) and the number of Treasury Shares after the purchase.

2.14 **Take-Over Code Implications**

Appendix 2 of the Take-Over Code ("**Appendix 2**") contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are summarised below.

2.14.1 Obligation to make a Take-Over Offer

If, as a result of any purchase or acquisition by the Company of its Shares under the Share Purchase Mandate, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-Over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-Over Code.

Rule 14.1 of the Take-Over Code requires, *inter alia*, that, except with the consent of the SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

The offer required to be made under the provisions of Rule 14.1 of the Take-Over Code shall, in respect of each class of shares in the capital involved, be in cash or be accompanied by a cash alternative at the Required Price.

For the above purposes, "**Required Price**" means in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-Over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 of the Take-Over Code which is the highest of the highest price paid by the offerors and/ or person(s) acting in concert with them for the shares (i) during the offer period and within the preceding six (6) months; (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period; or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six (6) months of the offer or during the offer period; or at such price as determined by the SIC under Rule 14.3 of the Take-Over Code.

2.14.2 Persons Acting in Concert

Under the Take-Over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement 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.

Unless the contrary is established, the Take-Over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

- (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 any 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,

(for the purposes of the foregoing, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first mentioned company),

- (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); and
- (c) 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); and
 - (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.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-Over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2.

2.14.3 Effect of Rule 14 and Appendix 2 of the Take-Over Code

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring Shares, (a) the voting rights of such Directors and their concert parties would increase to 30% or more; or (b) if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder

would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

Based on the interests of Substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-Over Code as a result of the acquisition or purchase by the Company of 10% of its issued Shares as at the Latest Practicable Date. Further details of the interests of Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out in Section 4 of this Appendix.

The Directors are not aware of any Shareholder who may become obligated to make a mandatory take-over offer in the event that the Company purchases or acquires its Shares up to the full 10% limit pursuant to the Share Purchase Mandate.

The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-Over Code. Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any purchase of Shares by the Company.

3. THE PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

Unless otherwise defined in this Appendix, all capitalised terms used in this Section 3 shall bear the meanings ascribed to them in the Annexure to this Appendix entitled "Rules of the Medtecs Share Option Scheme".

3.1 Background

3.1.1 The 2002 Share Option Scheme

The Company had previously adopted a share option scheme (the "**2002 Share Option Scheme**") at a special general meeting of the Company held on 30 May 2002 for a duration of ten (10) years commencing from the date of adoption, which was renewed at a special general meeting of the Company held on 30 April 2012 for a further duration of 10 years commencing from 30 May 2012 and expired on 29 May 2022. The 2002 Share Option Scheme allowed for the issue of Shares pursuant to the exercise of options granted under the 2002 Share Option Scheme to eligible participants under the 2002 Share Option Scheme. There were no material conditions to which the options granted under the 2002 Share Option Scheme were subject.

No further grants can be made under the 2002 Share Option Scheme as the 2002 Share Option Scheme had expired on 29 May 2022. As at the Latest Practicable Date, there are no outstanding options under the 2002 Share Option Scheme.

The Company proposes to seek the approval of the Shareholders at the AGM to adopt and implement the Share Option Scheme, which if approved, will be the only share-based incentive scheme of the Company in force.

The Sponsor will be making an additional listing application to the SGX-ST, on behalf of the Company, for the listing and quotation of the Scheme Shares to be allotted and issued by the Company upon the exercise of the Options granted under the Share Option Scheme on Catalist Board, subject to Shareholders' approval being obtained for the proposed adoption of the Share Option Scheme at the AGM. An announcement of the receipt of the listing and quotation notice in relation to the Scheme Shares (including conditions that may be required to be fulfilled) will be made in due course when obtained.

The SGX-ST's approval for the listing and quotation of the Scheme Shares on the Catalist Board, if granted, shall not be taken as an indication of the merits of the Share Option Scheme, the Scheme Shares, the Company and/or its subsidiaries.

3.1.2 Options granted under the 2002 Share Option Scheme

As at the Latest Practicable Date:

- (a) options in respect of 27,753,000 Shares, representing approximately 5.1% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, have been granted to, and accepted by, 42 participants under the 2002 Share Option Scheme;
- (b) a total of 1,875,000 Shares have been allotted and issued by the Company pursuant to the exercise of the options under the 2002 Share Option Scheme, representing approximately 0.3% of the issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date;
- (c) no existing Shares (including Shares held as Treasury Shares) have been transferred to, or for the account of, participants pursuant to the exercise of options granted under the 2002 Share Option Scheme;
- (d) there are no remaining outstanding or unexercised options under the 2002 Share Option Scheme; and
- (e) options under the 2002 Share Option Scheme in respect of 25,878,000 Shares have lapsed.

Particulars of options granted to Directors under the 2002 Share Option Scheme as of the Latest Practicable Date are as follows:

| Name of Director | Date of Grant | Number of Options Granted | Number of Shares allotted and issued upon exercise of Options | Number of Options which have lapsed | Number of Options Outstanding |
|-------------------------|----------------------|----------------------------------|--|--|--------------------------------------|
| Clement Yang Ker-Cheng | 2002 | 453,600 | - | 453,600 | - |
| | 2003 | 907,200 | - | 907,200 | - |
| | 2004 | 900,000 | - | 900,000 | - |
| Carol Yang Xiao-Qing | 2012 | 100,000 | - | 100,000 | - |

Save as disclosed above, there were no options granted to Directors, Controlling Shareholders and their Associates under the 2002 Share Option Scheme.

3.2 **Rationale for and benefits of the Share Option Scheme**

The Share Option Scheme is intended to provide an opportunity for Eligible Persons who have contributed significantly to the growth and performance of the Group who satisfy the eligibility criteria as set out in Rule 5 of the Share Option Scheme to participate in the equity of the Company. The Company recognises that the service of such Eligible Persons is important to the continued success of the Group. The implementation of the Share Option Scheme will enable the Company to recognise the contributions of such Eligible Persons and to provide Eligible Persons with an opportunity to have a direct interest in the Company at no direct cost to its profitability. At the same time, the Share Option Scheme will also help to achieve the following positive objectives.

- (a) to motivate Eligible Persons to achieve and maintain a high level of performance and contribution;
- (b) to make total employee remuneration sufficiently competitive to recruit and retain Eligible Persons whose contributions are important to the long term growth and profitability of the Group; and
- (c) to foster an ownership culture within the Group which aligns the interests of Option Holders with the interest of Shareholders.

As the Share Option Scheme will be a key part of the Group's compensation arrangements, the Directors propose that the Share Option Scheme remain in force for a period of ten (10) years from the date of its adoption at the AGM to 29 April 2034.

3.3 Summary of the Scheme Rules

The Scheme Rules are set out in the Annexure to this Appendix. A summary of the Scheme Rules is set out below.

3.3.1 Eligibility

The following persons shall be eligible to participate in the Share Option Scheme at the absolute discretion of the Committee, which shall be exercised judiciously:

- (a) confirmed Group Employees; or
- (b) Executive and Non-Executive Directors (including Independent Directors), provided that a Director who is a member of the Committee shall not be involved in the deliberations of the Committee in respect of the participation of that Director in the Share Option Scheme and the Options to be granted to that Director under the Share Option Scheme,

provided that each such person has attained the age of 21 years on or before the relevant Date of Grant and is not an undischarged bankrupt.

In determining the participation of an Eligible Person in the Share Option Scheme, the Committee shall take into account criteria such as the seniority of position, performance, length of service, potential for future development of the Eligible Person and contributions of the Eligible Person to the Group.

Controlling Shareholders and their Associates who qualify under Section 3.3.1(a) above are eligible to participate in the Share Option Scheme, provided that:

- (i) no Option shall be granted to such person unless, amongst others, his participation in the Share Option Scheme and the number of Options to be granted to him, have been approved by the independent Shareholders in a separate resolution for each such person and such Controlling Shareholder and his Associates shall abstain from voting on the resolution in relation to their participation in the Share Option Scheme and the grant of Options to them. The justifications for participation and the specific number of Options to be granted and their terms will be disclosed in the letter to Shareholders seeking such approval from independent Shareholders;
- (ii) the aggregate number of Scheme Shares in respect of which Options may be granted to Participants who are Controlling Shareholders and their Associates for the entire duration of the Share Option Scheme shall not exceed 25% of the total number of Scheme Shares in respect of which Options may be granted under the Share Option Scheme (including any Shares which may be issued and/or transferred pursuant to adjustments, if any, made pursuant to

the Scheme Rules);

- (iii) the total number of Scheme Shares in respect of which Options may be granted to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10% of the total number of Scheme Shares available under the Share Option Scheme;
- (iv) the maximum discount to the Exercise Price per Scheme Share shall be 20% of the Market Price as at the Date of Grant provided that any discount to be granted to any Participant who is a Controlling Shareholder or his Associate will have to be approved by independent Shareholders in a separate resolution for each such Participant (and such Controlling Shareholder and his Associates shall abstain from voting on the resolution in relation to their participation in the Share Option Scheme and the grant of Options to them) and the discounted price shall not be less than the Group's NTA per Share as reflected in the latest audited financial statements of the Group; and
- (v) their participation in the Share Option Scheme complies with the Catalist Rules and any other conditions for their participation in the Share Option Scheme as may be required by the SGX-ST from time to time.

3.3.2 Administration

The Share Option Scheme 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 a member of the Committee who is an Eligible Person or a Participant shall not be involved in the deliberations of the Committee in respect of his participation in the Share Option Scheme and the Options to be granted to him under the Share Option Scheme.

3.3.3 Size of the Share Option Scheme

The maximum number of Scheme Shares in respect of which Options may be granted on any date, when added to the aggregate number of Scheme Shares issued, issuable, transferred and/or transferrable in respect of all Options granted under the Share Option Scheme, shall not exceed 15% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) on the day preceding the Date of Grant. The Committee shall have the flexibility in deciding whether to grant Options up to the abovementioned prescribed limit.

The Company is of the view that the size of the Share Option Scheme, being 15% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings), is reasonable and will not be aggressively dilutive to the Shareholders, taking into account the pool of Eligible Persons which includes Non-Executive Directors, the contributions and performance of the Participants, the share capital of the Company and the long term strategy to use Options as part of the Group's overall compensation strategy. The size of the Share Option Scheme will provide the Company with greater flexibility to use Options as part of a Participant's remuneration package to acknowledge a Participant's contributions and achievements, as well as to provide an incentive for ongoing performance and retention of Participants. It should however be noted that this does not indicate that the Committee will definitely grant Options under the Share Option Scheme up to the abovementioned prescribed limits. The Committee will exercise its discretion in deciding the number of Options to be granted to each Participant under the Share Option Scheme.

3.3.4 Maximum Entitlements

Any grant of Options to Participants shall be subject to the following:

- (a) the aggregate number of Scheme Shares in respect of which Options may be granted to Participants who are Controlling Shareholders and their Associates

for the entire duration of the Share Option Scheme shall not exceed 25% of the total number of Scheme Shares in respect of which Options may be granted under the Share Option Scheme (including any Shares which may be issued and/or transferred pursuant to adjustments, if any, made pursuant to the Scheme Rules);

- (b) the total number of Scheme Shares in respect of which Options may be granted to each Participant who is a Controlling Shareholder or his Associate shall not exceed 10% of the total number of Scheme Shares available under the Share Option Scheme;
- (c) a grant of Options to a Director or Eligible Person of a subsidiary of the Company that together with Options already granted to such Participants under the Share Option Scheme, represents 5% or more of the total number of Options available to all the Directors and Eligible Persons of the subsidiaries of the Company, must be approved by independent Shareholders and a separate resolution must be passed by independent Shareholders for each such Participant and to approve the aggregate number of Options to be made available for grant to all the Directors and Eligible Persons of the subsidiaries of the Company; and
- (d) such restrictions as may be imposed by SGX-ST from time to time.

3.3.5 Grant of Options

The grant of Options may be made at any time and from time to time during the period when the Share Option Scheme is in force as the Committee may determine provided that no Options shall be granted during the period of (a) one (1) month immediately preceding the date of announcement of the Company's half-year and full-year financial statements (if the Company does not announce its quarterly financial statements) and (b) two (2) weeks immediately preceding the date of announcement of the Company's financial statements for each of the first three (3) quarters of its financial year and one (1) month immediately preceding the date of announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise). If the Company intends to announce any matter of an exceptional nature involving unpublished price sensitive information, Options may only be granted on or after the second Market Day following the date on which such announcement is released.

An Option which is granted to a Participant is personal to him and may not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part without the prior written approval of the Committee.

3.3.6 Acceptance of Options

An Option granted to an Eligible Person by the Committee must be accepted by the Eligible Person within 14 days from the Date of Grant, and in any event not later than 5.00 p.m. on the 14th day from the Date of Grant, accompanied by the payment of S\$1.00 as consideration and receipt by the Company of the executed Acceptance Form. The Eligible Person may accept or refuse the whole or any part of the grant of the Option offered to him.

3.3.7 Options Exercise Period

An Option Holder may exercise an Option (other than an Option granted at a discount) in whole or in part at any time after one (1) year from the Date of Grant provided always that an Option shall be exercised before the end of 120 months (or 60 months where the Option Holder is a Non-Executive Director) of the Date of Grant ("**Option Exercise Period**") and subject to such other conditions as may be introduced by the Committee from time to time.

3.3.8 Exercise Price

Subject to any adjustment pursuant to the Scheme Rules, the Exercise Price to be paid upon exercise of an Option shall be equal to the Market Price but in no circumstances shall the Exercise Price be less than the nominal or par value of a Share.

The Exercise Price may, at the discretion of the Committee, be set at such discount as may be determined by the Committee. Any Option with an Exercise Price set at a discount is subject to the following conditions:

- (a) the maximum discount shall be 20% of the Market Price as at the Date of Grant provided that any discount to be granted to Controlling Shareholders and their Associates will have to be approved by independent Shareholders in a separate resolution at a general meeting (and such Controlling Shareholders and their Associates shall abstain from voting on the resolution in relation to their participation in the Share Option Scheme and the grant of Options to them) and the discounted price shall not be less than the Group's NTA per Share as reflected in the latest audited financial statements of the Group and shall not be less than the nominal or par value of a Share;
- (b) the Committee shall exercise any decision to offer Options with an exercise price set at a discount in good faith and only when circumstances require;
- (c) any discount to the Exercise Price of the Options and the amount thereof shall only be granted by the Committee if and only if the Committee verily believes that the discount and the quantum thereof would be in furtherance of the core objectives of the Share Option Scheme and would be in the best interests of the Company and is unanimously endorsed in writing by all the Directors (except for any Director who is not entitled to vote); and
- (d) the Option may only be exercised after two (2) years from the Date of Grant provided always that such Option shall be exercised before the end of 120 months (or 60 months where the Option Holder is a Non-Executive Director) of the Date of Grant and subject to such other conditions as may be introduced by the Committee from time to time.

The Company believes that the proposed maximum discount of 20% of the Market Price as at the Date of Grant would strike a balance between allowing for flexibility in the Share Option Scheme and incentivising Option Holders to exercise their Options, while managing the potential dilutive effect to the Shareholders arising from the Share Option Scheme due to the allotment and issue of Scheme Shares. For the avoidance of doubt, that this does not indicate that the Committee will definitely apply a discount up to the abovementioned prescribed limit.

3.3.9 Exercise of Options

- (a) An Option may be exercised in multiples of 100 Scheme Shares only and may be exercised, in whole or in part, by an Option Holder giving notice in writing to the Company, and such notice must be accompanied by a remittance for the Aggregate Exercise Price, the relevant Depository Charges and such other documentation as the Committee may require.
- (b) Subject to the Catalist Rules and applicable laws, the Company shall, as soon as practicable after the exercise of an Option, (i) allot and issue the relevant Scheme Shares to the Option Holder, and/or (ii) transfer existing issued Shares, including any Shares acquired and held by the Company in treasury pursuant to a share purchase mandate and/or held by the Company as Treasury Shares as Scheme Shares to the Option Holder.

In determining whether to allot and issue new Shares or transfer existing issued Shares to Option Holders upon exercise of their Options, the Company will take into account factors such as, but not limited to, the number of Treasury

Shares held by the Company, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or purchasing existing issued Shares.

3.3.10 Termination of Options

Offers shall cease and lapse forthwith automatically and shall no longer be available for acceptance in the following events: -

- (a) if the Offer is not accepted within the time stated therein;
- (b) upon the death of the Participant prior to his acceptance of the Offer;
- (c) if the Participant ceases to be in the employment of the Company for any reason whatsoever; or
- (d) upon the commencement of liquidation or winding-up of the Company.

3.3.11 Rights of Scheme Shares

The Scheme Shares allotted and issued and/or transferred upon the exercise of an Option shall be subject to all the provisions of the Catalist Rules, the Bermuda Companies Act, the SFA and the Memorandum and the Bye-laws of the Company (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Scheme Shares, including those rights which arise from a liquidation of the Company) and shall rank in full for all dividends declared or recommended in respect of the then issued Shares the Record Date (as defined in the Scheme Rules) of which is on or after the date of the exercise of the Option. The Scheme Shares will rank *pari passu* in all respects with the then issued Shares of the Company.

3.3.12 Duration of Share Option Scheme

The Share Option Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date upon which the Share Option Scheme is adopted by the Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations, the Share Option Scheme may continue beyond the above stipulated period with the approval of the Shareholders by way of an ordinary resolution passed at a general meeting and of any relevant authorities which may then be required.

The Share Option Scheme may be terminated at any time by the Committee or by an ordinary resolution passed by the Shareholders at a 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 granted by the Company thereunder.

The termination or discontinuance or expiry of the Share Option Scheme, for any reason, shall not affect Options which have been granted and accepted in accordance with the Scheme Rules prior to such termination or discontinuance or expiry, regardless of whether such Options have been exercised (whether fully or partially) or not and subject to the applicable Scheme Rules capable of surviving termination.

3.3.13 Abstention from Voting

Controlling Shareholder and his Associate shall abstain from voting on the resolution in relation to their participation in the Share Option Scheme and the grant of Options to them.

For the avoidance of doubt, the directors and employees of the subsidiaries of the Company who are also Shareholders and eligible to participate in the Share Option Scheme must also abstain, and shall ensure that their Associates will abstain, from

voting on any resolution relating to the participation of, or grant of Options to, directors and employees of the subsidiaries of the Company.

3.3.14 Variation of Capital

If a variation in the issued share capital of the Company (whether by way of a bonus issue or rights issue, capital reduction, sub-division or consolidation of Shares, distribution or creation of new class(es) of Shares) shall take place or if there is an offer or invitation made by the Company to Shareholders whereunder they may acquire rights to acquire or subscribe for Shares, then:

- (a) the Exercise Price; and/or
- (b) the nominal or par value, class and/or number of Scheme Shares comprised in an Option to the extent unexercised;

may be adjusted in such manner as the Committee may determine to be appropriate, except in relation to a bonus 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. Notwithstanding the above, no adjustment shall be made if as a result a Participant receives a benefit that a Shareholder does not receive.

The issue of securities by the Company as consideration for an acquisition or a private placement of securities by the Company will not be regarded as a circumstance requiring adjustment. In addition, the cancellation of issued Shares purchased or acquired by the Company pursuant to a share purchase mandate granted by Shareholders (including any renewal of such mandate) for market purchases of issued Shares on the Catalyst Board shall not be regarded as a circumstance requiring adjustment.

3.3.15 Modifications to the Share Option Scheme

The Share Option Scheme may be modified or amended in any respect by a resolution of the Committee, subject to compliance with the Catalyst Rules, and if required, the prior approval of the SGX-ST and/or any other relevant competent regulatory authorities.

No modification or amendment shall alter adversely the rights attaching to any Options granted prior to such modification or alteration except with the consent in writing of such number of Option Holders who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in nominal amount of all the Scheme Shares which would fall to be allotted and issued and/or transferred upon exercise in full of all outstanding Options.

No modification or amendment shall be made to certain definitions and certain provisions of the Scheme Rules to the advantage of the Participants except with the prior approval of the Shareholders in a general meeting of the Company.

3.4 **Rationale for participation by Non-Executive Directors (including Independent Directors)**

While the Share Option Scheme caters principally to Group Employees and Executive Directors, it is recognised that the Non-Executive Directors also make significant contributions to the Group through their close working relationship with the Company, even though they are not employed within the Group. The Non-Executive Directors bring a wealth of knowledge and business expertise and play an important role in helping the Company shape its business strategy. It is important for the Company to attract, retain and incentivise the Non-Executive Directors along with the other employees.

Practice Guidance 7 of the Singapore Code of Corporate Governance 2018 states, among others, that the remuneration committee of a company should consider implementing schemes to encourage non-executive directors to hold shares in the company so as to better align the interests of such non-executive directors with the interests of shareholders.

The Committee will propose a performance framework comprising mainly non-financial performance measurement criteria to assess their services and contributions to the Group. With respect to Independent Directors, it is the intention of the Board and the Committee that any grant of Options under the Share Option Scheme to such Independent Directors be measured and balanced against the performance framework so as to not compromise the objectivity and independence of such Independent Directors. In addition, the Committee will also consider the scope of advice given, and any measurable advancement of the Company's business which the Company is able to make from or with the assistance, advice or recommendations of the Non-Executive Directors. The Committee may also decide that no Options shall be granted in any financial year or at all.

3.5 Rationale for participation by Controlling Shareholders and their Associates

One of the objectives of the Share Option Scheme is to motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group. The objectives of the Share Option Scheme should apply equally to the Group Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders. The Company's view is that all deserving and eligible Participants should be motivated whether or not they are Controlling Shareholders or Associates of Controlling Shareholders. The Company believes that as the Share Option Scheme is designed to motivate, retain and reward Group Employees and Directors who contribute to the growth and profits of the Company, Group Employees and Directors who are Controlling Shareholders or Associates of Controlling Shareholders should be entitled to the same benefits granted under the Share Option Scheme solely for the reason that they are Group Employees and/or Directors. It is in the Group's interest that these Participants who are actively contributing to the Group's progress and development are given the incentive to continue to remain with the Company and contribute towards the Group's future progress and development.

The Directors are of the view that there are sufficient safeguards against any abuse of the Share Option Scheme resulting from the participation of Controlling Shareholders or their Associates who are also Group Employees. The justifications for participation and the specific number of Options to be granted and their terms will be disclosed in letters to Shareholders seeking such approvals from independent Shareholders. Thereafter, details of the number of Options granted and the number of Options exercised and outstanding will be disclosed in the annual report(s) of the Company accordingly.

3.6 Disclosure in Annual Report

The Company will make the following disclosures in its annual report for so long as the Share Option Scheme continues in operation:

- (a) the names of the members of the Committee administering the Share Option Scheme;
- (b) the information required in the table below for the following Participants:
 - (i) Participants who are Directors;
 - (ii) Participants who are Controlling Shareholders and their Associates; and
 - (iii) Participants, other than those in (i) and (ii) above, who received 5% or more of the total number of Shares to be comprised in 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 Share Option Scheme to end of financial year under review | Aggregate Options exercised since commencement of Share Option Scheme to end of financial year under review | Aggregate Options outstanding as at end of financial year under review |
|---------------------|--|---|---|--|
| | | | | |

- (c) in respect of Options granted to directors and employees of the subsidiaries of the Company:
 - (i) the names of and number and terms of Options granted to each director or employee of the subsidiaries of the Company who receives 5% or more of the total number of Options available to all directors and employees of the subsidiaries of the Company under the Share Option Scheme, during the financial year under review; and
 - (ii) the aggregate number of Options granted to the directors and employees of the subsidiaries of the Company for the financial year under review, and since the commencement of the Share Option Scheme to the end of the financial year under review;
- (d) the number and proportion of Options granted at the following discounts to the Market Price in the financial year under review:
 - (i) Options granted at up to 10% discount; and
 - (ii) Options granted at more than 10% but not more than 20% discount;
- (e) such other information as may be required by the Catalist Rules; and
- (f) an appropriate negative statement in the event the disclosure of any of the abovementioned information is not applicable.

3.7 Financial Effects of the Share Option Scheme

3.7.1 Share capital

The Share Option Scheme will result in an increase in the Company's issued share capital if new Shares are issued to Option Holders upon the exercise of the Options. The number of new Shares issued will depend on, *inter alia*, whether the Company opts to transfer Treasury Shares as Scheme Shares, the number of Shares comprised in the Options, the number of Options that are exercised and the Exercise Price of the Shares comprised in the Options. In any case, the Share Option Scheme provides that the number of Shares to be issued under the Share Option Scheme, when aggregated with the aggregate number of Shares which options are granted under any other share option schemes of the Company (including the Share Option Scheme), will be subject to the maximum limit of 15% of the Company's total number of issued Shares (excluding Shares held by the Company as Treasury Shares and subsidiary holdings) from time to time.

3.7.2 NTA

As described in Section 3.7.3 below on EPS, the Share Option Scheme is likely to result in a charge to the Company's income statement upon the exercise of the Options. The amount of the charge will be computed in accordance with Singapore Financial Reporting Standard (International) 2 – Share-based Payment ("**SFRS(I) 2**").

The issue of new Shares upon the exercise of the Options will increase the Company's consolidated NTA by the aggregate Exercise Price of the new Shares issued. On a per Share basis, the effect on the NTA of the Company will be accretive if the Exercise Price is above the Company's consolidated NTA per Share, but dilutive otherwise.

3.7.3 EPS

The issuance of the Scheme Shares upon the exercise of Options granted under the Share Option Scheme will have a dilutive impact on the consolidated EPS of the Group.

3.7.4 Potential Cost of Options

The grant of any Options under the Share Option Scheme is considered a share-based payment that falls under SFRS(I) 2. Under SFRS(I) 2, the recognition of an expense in respect of Options granted under the Share Option Scheme is required, as described below:

- (a) The expense will be based on the fair value of the Options at each Date of Grant and will be recognised over the vesting period. This fair value is normally estimated by applying the option pricing model at the Date of Grant, taking into account the terms and conditions of the grant of the Options and recognised as a charge to the Company's consolidated profit and loss statement ("P&L") over the vesting period.
- (b) Before the end of the vesting period and at the end of each accounting year, the estimate of the number of Options that are expected to vest in each Participant by the vesting date is revised, and the impact of the revised estimate is recognised in the consolidated P&L. After the vesting date, no adjustment of the charge to the consolidated P&L is made.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Directors' Interests

Based on the Register of Directors' Shareholdings as at the Latest Practicable Date, the interests of the Directors in the Shares are set out below:

| Directors | Direct Interest | | Deemed Interest ⁽²⁾ | |
|---------------------------------------|-----------------|------------------|--------------------------------|------------------|
| | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ |
| Clement Yang Ker-Cheng ⁽³⁾ | 36,373,285 | 6.68 | 21,375,198 | 3.92 |
| William Yang Weiyuan ⁽⁴⁾ | | | 3,000,000 | 0.55 |
| Lim Tai Toon ⁽⁵⁾ | | | 20,000 | 0.004 |
| Carol Yang Xiao-Qing | | | | |
| Nieh Chien-Chung | | | | |

Notes:

- (1) Based on 544,911,240 Shares in issue (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
- (3) Clement Yang Ker-Cheng is deemed to be interested in 18,506,621 Shares and 2,868,577 Shares held by South World Investment Ltd. and Maybank Kim Eng Securities Pte. Ltd., respectively.
- (4) William Yang Weiyuan is deemed to be interested in 3,000,000 Shares acquired through his sub-brokerage account maintained with a Taiwan brokerage house.
- (5) Lim Tai Toon is deemed to be interested in 20,000 Shares held by his wife, Mdm Wong Lai Kwan.

4.2 Substantial Shareholders' Interests

As at the Latest Practicable Date, based on the Register of Substantial Shareholders, there are no Substantial Shareholders other than Directors who are also Substantial Shareholders as set out above.

Save as disclosed in this Appendix, none of the Directors or the Substantial Shareholders has any interest, whether directly or indirectly, in the Shares.

5. DIRECTORS' RECOMMENDATIONS

5.1 Proposed Renewal of the Share Purchase Mandate

The Directors, having considered, *inter alia*, the rationale for the proposed renewal of the Share Purchase Mandate, are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of Resolution 6 (*Proposed Renewal of the Share Purchase*

Mandate) relating to the proposed renewal of the Share Purchase Mandate as set out in the Notice of AGM.

5.2 **Proposed Adoption of the Share Option Scheme**

The Directors are all eligible to participate in, and are therefore interested in, the proposed adoption of the Share Option Scheme. Accordingly, the Directors have refrained from making any recommendation as to how Shareholders should vote in respect of Resolution 7 (*Proposed Adoption of the Share Option Scheme*) relating to the proposed adoption of the Share Option Scheme as set out in the Notice of AGM.

6. **ABSTENTION FROM VOTING**

In view of their eligibility to participate in the Share Option Scheme, the Directors and their respective Associates who are also Shareholders will also abstain from voting on, and will decline to accept appointment as proxies for Shareholders to vote in respect of, Resolution 7 (*Proposed Adoption of the Share Option Scheme*) relating to the proposed adoption of the Share Option Scheme as set out in the Notice of AGM, unless the appointor (being a Shareholder who is not subject to the voting restrictions detailed above) shall have given specific instructions in their Proxy Forms as to the manner in which the appointor's votes are to be cast in respect of Resolution 7.

Any Shareholder entitled to participate in the Share Option Scheme will also abstain from voting on, and will decline to accept appointment as proxies for Shareholders to vote in respect of, Resolution 7, unless the appointor (being a Shareholder who is not subject to the voting restrictions detailed above) shall have given specific instructions in their Proxy Forms as to the manner in which the appointor's votes are to be cast in respect of Resolution 7.

7. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate and the proposed adoption of the Share Option Scheme, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

8. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the Singapore office of the Company at 138 Cecil Street, #13-02 Cecil Court, Singapore 069538 during normal business hours for a period of three (3) months from the date of this Appendix:

- (a) the Memorandum and the Bye-laws;
- (b) the Annual Report, which may also be accessed via SGXNET; and
- (c) the proposed rules of the Medtecs Share Option Scheme.

Yours faithfully

For and on behalf of the Board of Directors of
MEDTECS INTERNATIONAL CORPORATION LIMITED

Clement Yang Ker-Cheng
Executive Chairman

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

RULES OF THE MEDTECS SHARE OPTION SCHEME

1. Name of Scheme

This Scheme shall be called the "Medtecs Share Option Scheme".

2. Definitions

In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

| | | |
|----------------------------|---|---|
| "Act" | : | The Companies Act 1967 of Singapore, as amended from time to time |
| "Adoption Date" | : | The date upon which this Scheme is adopted by the Company in general meeting |
| "Aggregate Exercise Price" | : | The total amount payable for Scheme Shares to be acquired on the exercise of an Option |
| "Auditors" | : | The auditors of the Company for the time being |
| "Associate" | : | Shall bear the meaning assigned to it by the Catalist Rules of the SGX-ST |
| "Bermuda Companies Act" | : | The Companies Act 1981 of Bermuda, as amended from time to time |
| "Bye-laws" | : | The Bye-laws of the Company, as amended from time to time |
| "Catalist" | : | The sponsor-supervised listing platform of the SGX-ST |
| "CDP" | : | The Central Depository (Pte) Limited |
| "Committee" | : | A committee, comprising Directors of the Company, duly authorised and appointed by the Board of Directors of the Company to administer the Scheme |
| "Company" or "Medtecs" | : | Medtecs International Corporation Limited, a company incorporated in Bermuda |
| "Controlling Shareholder" | : | A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all issued voting Shares in the Company, unless determined by the SGX-ST that such person is not a controlling shareholder; or (b) in fact exercises control over the Company |
| "Date of Grant" | : | The date on which an Option is granted pursuant to Rule 5(e) |
| "Directors" | : | The directors of the Company and its subsidiaries |

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

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| "Eligible Person" | : Any full-time employee of the Company or any Subsidiary including any Executive Director, Non-Executive Director, Controlling Shareholder and his Associate, selected by the Committee to participate in the Scheme in accordance with Rule 5(a) of the Scheme |
| "Executive Director" | : A Director who performs an executive function |
| "Exercise Price" | : The price at which an Option Holder shall subscribe for each Scheme Share upon the exercise of an Option (as determined in accordance with Rule 9) |
| "Financial Year" | : Each period of twelve (12) months at the end of which period the balance of the accounts of the Company is struck and audited for the purpose of laying the same before an annual general meeting of the Company |
| "Group" or "Medtecs Group" | : The Company and its Subsidiaries for the time being |
| "Group Employee" | : Any full-time employee of the Group |
| "Independent Director" | : An independent Director |
| "Market Day" | : A day on which SGX-ST is open for trading in securities |
| "Market Price" | : The average of the last dealt prices per Share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Date of Grant provided always that in the case of a Market Day on which the Shares of the Company are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded |
| "Memorandum of Association" | : The memorandum of association of the Company, as amended from time to time |
| "Non-Executive Director" | : A Director who does not perform an executive function |
| "Offer" | : The Company's offer to a Participant of an Option to subscribe for Shares under the Scheme |
| "Option" | : The right to subscribe for Scheme Shares granted or to be granted pursuant to the Scheme for the time being subsisting |
| "Option Amount" | : The total number of Scheme Shares subject to an Option |
| "Option Holder" | : The holder of an Option |
| "Option Period" | : Subject as provided in Rule 7, Rule 9(b) and Rule 12 and any other additional conditions as may be introduced by the Committee from time to time, a period commencing from the date as provided in Rule 7(a) or Rule 9(b)(iv), as the case may be, and expiring |

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

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| | at the end of one hundred and twenty (120) months (or sixty (60) months where the Option Holder is a Non-Executive Director) after the Date of Grant |
| "Participant" | : Any eligible person selected by the Committee to participate in the Scheme in accordance with Rule 5(a) |
| "Record Date" | : The date, at the close of business (or such other time as may be prescribed by the Company), on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be) |
| "Rules" | : Rules of the Scheme and any reference to a particular Rule shall be construed accordingly |
| "Scheme" | : Medtecs Share Option Scheme, as amended from time to time |
| "Scheme Shares" | : Shares to be issued or transferred from time to time pursuant to the exercise of Options granted under the Scheme |
| "SFA" | : The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time |
| "SGX-ST" or "Stock Exchange" | : Singapore Exchange Securities Trading Limited |
| "Shares" | : Ordinary shares in the capital of the Company |
| "Shareholders" | : The registered holders for the time being of the Shares in the Company's Register of Members, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, and where the context permits, mean the persons named as depositors in the Depository Register maintained by CDP and whose securities accounts maintained by CDP are credited with those Shares |
| "Subsidiary" | : A subsidiary of the Company (as defined in Section 5 of the Act) and "Subsidiaries" shall be construed accordingly |
| "Trading Day" | : A day on which Shares are traded on the Stock Exchange |
| "Treasury Share" | : A Share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled |
| "S\$" | : Singapore dollars |
| "US\$" | : United States dollars |
| "%" or "per cent." | : Per centum or percentage |

The terms "**Depository**", "**depositor**", "**depository agent**" and "**Depository Register**" shall

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

have the meanings ascribed to them in Section 81SF of the SFA.

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.

Any reference in this Scheme 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 Act, the Bermuda Companies Act or any statutory modification thereof and used in this Scheme shall have the meaning assigned to it under the said Act, the Bermuda Companies Act or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of a day in the Scheme is a reference to Singapore time.

3. Duration of the Scheme

This 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 upon which the Scheme is adopted by the Shareholders at a general meeting. Subject to compliance with any applicable laws and regulations, the Scheme may continue beyond the above stipulated period with the approval of the Shareholders by way of an ordinary resolution passed at a general meeting and of any relevant authorities which may then be required.

The Scheme may be terminated at any time by the Committee or by an ordinary resolution passed by the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated no further Options shall be offered by the Company hereunder.

The termination or discontinuance or expiry of the Scheme, for any reason, shall not affect Options which have been granted and accepted in accordance with the Rules prior to such termination or discontinuance or expiry, regardless of whether such Options have been exercised (whether fully or partially) or not and subject to the applicable Rules capable of surviving termination.

4. Limitation on the Size of the Scheme

The total number of Scheme Shares in respect of which Options may be granted on any date, when added to the number of Scheme Shares issued, issuable, transferred and/or transferrable in respect of all Options granted under this Scheme, shall not exceed fifteen per cent. (15%) of the issued share capital of the Company on the day preceding that date. In addition, the aggregate number of Scheme Shares in respect of which Options may be granted to Participants who are Controlling Shareholders or their Associates shall not exceed twenty-five per cent. (25%) of the total number of Scheme Shares available under the Scheme provided always that the number of Shares available to each Participant who is a Controlling Shareholder or his Associate shall not exceed ten per cent. (10%) of the Scheme Shares available under the Scheme. The Options which have already been granted shall not be invalidated in the event that a reduction of the Company's capital or a buy back of its Shares results in the Shares issuable and/or transferrable under outstanding Options exceeding fifteen per cent. (15%) of the Company's issued share capital.

There will not be any specific limits imposed on the number of Scheme Shares which may be offered in any one (1) financial year to Participants of different corporate ranks.

5. Grant of Options

- (a) The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Committee, which shall be exercised judiciously: -
 - (i) Group Employees;
 - (ii) Executive and Non-Executive Directors (including Independent Directors), provided that a Director who is a member of the Committee shall not be

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

involved in the deliberations of the Committee in respect of the participation of that Director in the Scheme and the Options granted to that Director under the Scheme,

provided that each such person has attained the age of 21 years on or before the relevant Date of Grant and is not an undischarged bankrupt.

Controlling Shareholders or their Associates who qualify under Rule 5(a)(i) above are eligible to participate in the Scheme, provided that no Option shall be granted to such person unless:

- (1) his participation in the Scheme;
- (2) the justifications for his participation;
- (3) the number of Options;
- (4) the terms of the Options to be granted to him; and
- (5) the justifications for the actual number of Options and the terms of the Options to be granted to him,

have been approved by the independent Shareholders in a separate resolution for each such person and such Controlling Shareholder and his Associate shall abstain from voting on the resolution in relation to their participation in the Scheme and the grant of Options to them.

- (b) An Eligible Person shall be entitled to participate in more than one share option scheme of the Company or any of its Subsidiaries if approved by the Committee.
- (c) An Eligible Person shall, at the discretion of the Committee, be entitled to participate in the share option scheme of companies in which he is not principally employed.
- (d) Subject to such adjustment pursuant to Rule 10, the number of Scheme Shares to be offered to an Eligible Person in accordance with the Scheme shall be determined at the absolute discretion of the Committee, which shall be exercised judiciously. In determining the participation of an Eligible Person in the Scheme, the Committee shall take into account criteria such as the seniority of position, performance, length of service, potential for future development of the Eligible Person and contributions of the Eligible Person to the Group, Provided Always that the maximum number of Scheme Shares in respect of which Options may be granted on any date, when added to the aggregate number of Scheme Shares issued, issuable, transferred and/or transferrable in respect of all Options granted under the Scheme, shall not exceed fifteen per cent. (15%) of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) on the day preceding the Date of Grant. The Committee shall have the flexibility in deciding whether to grant Options up to the abovementioned prescribed limit. Any grant of Options to Participants shall be subject to the following:
 - (i) the aggregate number of Scheme Shares in respect of which Options may be granted to Participants who are Controlling Shareholders and their Associates for the entire duration of the Scheme shall not exceed twenty-five per cent. (25%) of the total number of Scheme Shares in respect of Options may be granted under the Scheme (including any Shares which may be issued and/or transferred pursuant to adjustments, if any, made pursuant to the Rules);
 - (ii) the total number of Scheme Shares in respect of which Options may be granted to each Participant who is a Controlling Shareholder or his Associates shall not exceed ten per cent. (10%) of the total number of Scheme Shares available under the Scheme;
 - (iii) a grant of Options to a Director or Eligible Person of the Subsidiaries that

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

together with Options already granted to such Participants under the Scheme, represents 5% or more of the total number of Options available to all the Directors and Eligible Persons, must be approved by independent Shareholders and a separate resolution must be passed by independent Shareholders for each such Participant and to approve the aggregate number of Options to be made available for grant to all the Directors and Eligible Persons of the Subsidiaries; and

- (iv) such restrictions as may be imposed by SGX-ST from time to time
- (e) Offers may be made at any time and from time to time during the period when the Option is in force as the Committee may determine provided that no Options shall be granted during the period of (i) one (1) month immediately preceding the date of announcement of the Company's half-year and full-year financial statements (if the Company does not announce its quarterly financial statements) and (ii) two (2) weeks immediately preceding the date of announcement of the Company's financial statements for each of the first three quarters of its financial year and one (1) month immediately preceding the date of announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise). If the Company intends to announce any matter of an exceptional nature involving unpublished price sensitive information, Options may only be granted on or after the second Market Day following the date on which such announcement is released.

The Letter of Offer to grant the Option shall be in or substantially in the form set out in Appendix I (subject to such modifications as may be made by the Committee at its discretion from time to time).

- (f) An Option granted to an Eligible Person by the Committee must be accepted by the Eligible Person within fourteen (14) days from the Date of Grant, and in any event not later than 5.00 p.m. on the fourteenth (14th) day from such Date of Grant, by completing, signing and returning the Acceptance Form in or substantially in the form set out in Appendix II (subject to such modifications as may be made by the Committee at its discretion from time to time), accompanied by the payment of S\$1.00 as consideration. The Eligible Person may accept or refuse the whole or any part of the grant of the Option offered to him. The Committee shall within fifteen (15) Market Days of receipt of the Acceptance Form and the consideration thereof, acknowledge receipt of the same.
- (g) An Option which is granted to a Participant is personal to him and may not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part without the prior written approval of the Committee.
- (h) Offers shall cease and lapse forthwith automatically and shall no longer be available for acceptance in the following events: -
 - (i) if the Offer is not accepted within the time stated therein;
 - (ii) upon the death of the Participant prior to his acceptance of the Offer;
 - (iii) if the Participant ceases to be in the employment of the Company for any reason whatsoever; or
 - (iv) upon the commencement of liquidation or winding-up of the Company.
- (i) If a grant of an Option is not accepted strictly in the manner as provided in Rule 5(f), such offer shall, upon the expiry of the fourteen (14) day period, automatically lapse and become null, void and of no effect.
- (j) 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 of no effect and the relevant

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

Participant shall have no claims whatsoever against the Company.

6. Administration of Scheme

- (a) The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board of Directors provided that a member of the Committee who is an Eligible Person or a Participant shall not be involved in the deliberations of the Committee in respect of his participation in the Scheme and the Options to be granted to him under the Scheme.
- (b) The Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with this Scheme) for the implementation and administration of the Scheme as they deem fit.
- (c) Any decision of the Committee, made pursuant to any provisions of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to interpretation of the Scheme or any rule, regulation, or procedure thereunder as to any rights under the Scheme).
- (d) The Company shall make the following disclosure in its annual report: -
 - (i) The names of the members of the Committee administering the Scheme;
 - (ii) The information required in the table below for the following Participants: -
 - (1) Participants who are Directors;
 - (2) Participants who are Controlling Shareholders and their Associates; and
 - (3) Participants, other than those in Rule 6(d)(ii)(1) and (2) above, who receive five per cent. (5%) or more of the total number of Options available under the Scheme.

| Name of Participant | Options granted during financial year under review (including terms) | Aggregate Options granted since commencement of financial year under review | Aggregate Options exercised since commencement of financial year under review | Aggregate Options outstanding as at end of financial year under review |
|---------------------|--|---|---|--|
| | | | | |

- (iii) in respect of Options granted to directors and employees of the Subsidiaries of the Company:
 - (1) the names of and number and terms of Options granted to each director or employee of the Subsidiaries who receives 5% or more of the total number of Options available to all directors and employees of the Subsidiaries under the Scheme, during the Financial Year under review; and
 - (2) the aggregate number of Options granted to the directors and employees of the Subsidiaries for the financial year under review, and since the commencement of the Scheme to the end of the Financial

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

Year under review;

- (iv) In respect of Options granted at a discount, the following disclosure shall be made:-
 - (1) the number and proportion of Options granted at a discount of ten per cent. (10%) or less to the Market Price as at the Date of Grant of the Options during the Financial Year under review; and
 - (2) the number and proportion of Options granted at a discount of more than ten per cent. (10%) to the Market Price as at the Date of Grant of the Options during the Financial Year under review.

7. Rights to Exercise Option

- (a) An Option Holder may exercise an Option (other than an Option granted at a discount) in whole or in part at any time after one (1) year from the Date of Grant of that Option Provided Always that an Option shall be exercised before the end of one hundred and twenty (120) months (or sixty (60) months where the Option Holder is a Non-Executive Director) of the Date of Grant and subject to such other conditions as may be introduced by the Committee from time to time.
- (b) An Option shall, to the extent that it remains unexercised, immediately lapse without any claim against the Company:-
 - (i) subject to Rules 7(c), (d) and (e), upon the Option Holder ceasing to be in the employment of the Company or any member of the Group for any reason whatsoever;
 - (ii) upon the bankruptcy of the Option Holder or the happening of any other event which results in him being deprived of the legal or beneficial ownership of or interest in such Options; or
 - (iii) in the event of any misconduct on the part of the Option Holder, as determined by the Committee in its absolute discretion or any breach of any regulation of the Company or the Group, such breach being regarded as serious by the Committee in its absolute discretion.

For the purpose of Rule 7(b)(i) above, an Option Holder 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.

- (c) If an Option Holder ceases to be employed by the Group by reason of ill-health, injury, disability (in each case, as evidenced to the satisfaction of the Committee), redundancy, retirement or for any other reason approved in writing by the Committee, he may, at the discretion of the Committee, but subject to Rule 7(a), exercise any unexercised Option within the period of thirty (30) days after the date of such cessation of employment or before the end of one hundred and twenty (120) months (or sixty (60) months where the Option Holder is a Non-Executive Director) of the Date of Grant of that Option, whichever is earlier, or such other period as approved by the Committee in writing. Upon expiry of such period, the Option shall lapse.
- (d) If an Option Holder ceases to be employed by the Group by reason that the company in which he is principally employed ceases to be a member of the Group or that the undertaking or part of the undertaking of such company is being transferred otherwise than to another company within the Group, he may, at the discretion and upon the written consent of the Committee, subject to Rule 7(a), exercise any unexercised Option(s) within the period of thirty (30) days after the date of such cessation of employment or before the end of one hundred and twenty (120) months (or sixty (60) months where the Option Holder is a Non-Executive Director) of the Date of Grant of that Option,

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

whichever is earlier, or such other period as approved by the Committee in writing. Upon the expiry of such period, the Option shall lapse.

- (e) If an Option Holder dies and at the date of his death he holds any unexercised Option, such Option may at the absolute discretion of the Committee, but subject to Rule 7(a), be exercised by the duly appointed personal representative(s) of the Option Holder within the period of twelve (12) months after his death or before the end of one hundred and twenty (120) months (or sixty (60) months where the Option Holder is a Non-Executive Director) of the Date of Grant, whichever is earlier. Upon the expiry of such period, the Option shall lapse.

8. Exercise of Options, Allotment and Issue and/or Transfer of Shares and Non-Exercise of Options in Certain Situations

(a) Exercise of Options. Allotment and Issue and/or Transfer of Shares

- (i) An Option may be exercised in multiples of 100 Scheme Shares only and may be exercised, in whole or in part, by an Option Holder giving notice in writing to the Company in the form or substantially in the form set out in Appendix III (subject to such modifications as may be made by the Committee from time to time). Such notice must be accompanied by a remittance for the Aggregate Exercise Price, the relevant Depository Charges and such other documentation as the Committee may require. An Option shall be deemed to be exercised only upon the receipt by the Company of the said notice duly completed and the Aggregate Exercise Price, the relevant Depository Charges and such other documentation as the Committee may require. All payments pursuant to this Clause shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company.
- (ii) The Company shall, as soon as practicable after the exercise of an Option, (i) allot and issue the relevant Scheme Shares to the Option Holder and/or (ii) transfer existing issued Shares, including any Shares acquired and held by the Company in treasury pursuant to a share purchase mandate and/or held by the Company as Treasury Shares, as Scheme Shares to the Option Holder.

In determining whether to allot and issue new Shares or transfer existing issued Shares to Option Holders upon exercise of their Options, the Company will take into account factors such as, but not limited to, the number of Treasury Shares held by the Company, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or purchasing existing issued Shares.

Scheme Shares which are allotted and issued and/or transferred on the exercise of an Option by an Option Holder shall be registered, as the Option Holder may elect, in the Option Holder's name or in the name of the Depository and credited to the securities account of that Option Holder or that Option Holder's securities sub-account with a depository agent. Subject to such consents or other required action of any competent authority under such regulations or enactments for the time being in force as may be necessary and subject to compliance with the rules of the Scheme and the Memorandum of Association and Bye-laws of the Company and all applicable laws and regulations, the Company shall, within ten (10) Market Days after the exercise of an Option, allot and issue and/or transfer the relevant Scheme Shares and, within five (5) Market Days after the date of such allotment and issue and/or transfer (as the case may be), despatch to the Option Holder or the Depository (as the case may be) the relevant share certificates by ordinary post or such other mode as the Committee may deem fit.

- (iii) The Scheme Shares allotted and issued and/or transferred upon the exercise of an Option shall be subject to all the provisions of the Catalist Rules, the Bermuda Companies Act, the SFA and the Memorandum of Association and

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

the Bye-laws of the Company (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such Scheme Shares, including those rights which arise from a liquidation of the Company) and shall rank in full for all dividends declared or recommended in respect of the then issued Shares the Record Date of which is on or after the date of the exercise of the Option. The Scheme Shares will rank *pari passu* in all respects with the then issued Shares of the Company.

- (iv) The Company shall maintain sufficient unissued reserved Shares to satisfy the exercise in full of all Options for the time being remaining capable of being exercised.

- (b) Non-exercise of Options in Certain Situations

Upon the expiry of any Option to which an Option Holder is entitled (which Option has not been exercised or fully exercised), or upon receipt of an irrevocable notice in writing from an Option Holder to the effect that he does not wish to exercise his entitlement or balance of his entitlement to any Option granted to and accepted by him, the Company shall forthwith cancel the relevant Option or Options and refund to that Option Holder all monies (if any) paid without interest, benefit, compensation or other share of revenue (if any) arising from the use of the said monies for the meantime.

9. Determination of Exercise Price

- (a) Subject to the provisions of Rules 9(b) and 10 below, the Exercise Price to be paid upon exercise of an Option shall be equal to the Market Price but in no circumstances (including on any discount or adjustment pursuant to the provisions of the Scheme) shall the Exercise Price be less than the nominal or par value of a Share. If the Exercise Price as determined above (or on any discount or adjustment pursuant to the provisions of the Scheme) is less than the par value of a Share, the Exercise Price shall be the par value.
- (b) The Exercise Price may, at the discretion of the Committee, be set at such discount as may be determined by the Committee. Any Option with an Exercise Price set at a discount is subject to the following conditions:-
 - (i) the maximum discount shall be twenty per cent. (20%) of the Market Price as at the Date of Grant, provided that any discount to be granted to Controlling Shareholders and their Associates will have to be approved by independent Shareholders in a separate resolution at a general meeting (and such Controlling Shareholder and his Associates shall abstain from voting on the resolution in relation to their participation in the Scheme and the grant of Options to them) and the discounted price shall not be less than the Group's net tangible assets per Share as reflected in the latest audited financial statements of the Group and shall not be less than the nominal or par value of a Share;
 - (ii) the Committee shall exercise any decision to offer Options with an exercise price set at a discount in good faith and only when circumstances require;
 - (iii) any discount to the Exercise Price of the Options and the amount thereof shall only be granted by the Committee if and only if the Committee verily believes that the discount and the quantum thereof would be in furtherance of the core objectives of the Scheme and would be in the best interests of the Company and is unanimously endorsed in writing by all the Directors (except for any Director who is not entitled to vote); and
 - (iv) the Options may only be exercised after two (2) years from the Date of Grant of that Option Provided Always that such Option shall be exercised before the end of one hundred and twenty (120) months (or sixty (60) months where the Option Holder is a Non-Executive Director) of the Date of Grant of that Option and

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

subject to such other conditions as may be introduced by the Committee from time to time.

10. Variation of Capital

(a) If a variation in the issued share capital of the Company (whether by way of a bonus issue or rights issue, capital reduction, sub-division or consolidation of Shares, distribution or creation of new class(es) of shares) shall take place or if there is an offer or invitation made by the Company to Shareholders whereunder they may acquire rights to acquire or subscribe for Shares, then: -

- (i) the Exercise Price; and/or
- (ii) the nominal or par value, class and/or number of Scheme Shares comprised in an Option to the extent unexercised;

may be adjusted in such manner as the Committee may at its discretion determine to be appropriate, except in relation to a bonus 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. Notwithstanding the above, no adjustment shall be made if as a result a Participant receives a benefit that a Shareholder does not receive:

(b) Notwithstanding the provisions of Rule 10(a) above, no such adjustment shall be made:

- (i) if, as a result;
 - (1) the Exercise Price shall fall below the nominal or par value of a Share (in which event the Exercise Price shall be the nominal or par value of a Share); or
 - (2) a Participant receives a benefit that a Shareholder does not receive; or
- (ii) unless the Committee, after considering all relevant circumstances, considers it just and equitable to do so.

(c) The issue of securities by the Company as consideration for an acquisition or a private placement of securities by the Company will not be regarded as a circumstance requiring adjustment. In addition, the cancellation of issued Shares purchased or acquired by the Company pursuant to a share purchase mandate granted by Shareholders of the Company (including any renewal of such mandate) for market purchases of issued Shares on the Catalist Board shall not be regarded as a circumstance requiring adjustment.

Upon any adjustment made pursuant to this Rule 10, the Company shall notify the Option Holders (or their duly appointed legal personal representative(s) where applicable) in writing and deliver to him (or his duly appointed personal representative(s) where applicable) of the Exercise Price thereafter in effect and the nominal or par value, class and/or number of Scheme Shares thereafter to be issued and/or transferred on the exercise of the Option. Any adjustment shall take effect upon such written notification being dispatched.

11. Modifications to the Scheme

Subject to the Rules, the Scheme may be modified or amended in any respect by a resolution of the Committee except that:-

(a) no modification or amendment shall alter adversely the rights attaching to any Options granted prior to such modification or alteration except with the consent in writing of such number of Option Holders who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in nominal amount of all the Scheme Shares which would fall to be issued and allotted and/or transferred upon exercise in full

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

of all outstanding Options;

- (b) the definitions of "Associate", "Controlling Shareholder", "Committee", "Eligible Person", "Group", "Option Holder", "Option Period", "Participant", "Market Price", "Exercise Price" and the provisions of Rules 4, 5, 6, 7, 8, 9, 10, 11 and 12 shall not be altered to the advantage of Participants except with the prior approval of the Shareholders at a general meeting of the Company; and
- (c) no modification or amendment shall be made without due compliance with the Catalyst Rules and if required, the prior approval of the SGX- ST and/or any other relevant competent regulatory authorities.

Notwithstanding anything to the contrary contained in this Rule 11, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST, if required) amend or alter the Scheme in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Scheme to comply with any statutory provision (or any amendment or modification thereto, including any amendment of or modification to the Act or the Bermuda Companies Act) or the provisions or regulations of any regulatory or other relevant authority (including the SGX-ST).

Written notice of any modification or alteration made in accordance with this Rule shall be given to all Option Holders provided that any omission to give notice to any Option Holder or the non-receipt of such notice by any Option Holder shall not invalidate any such amendment.

12. Take-over and Winding Up of the Company

- (a) In the event of a take-over offer being made for the Company, an Option Holder shall, subject to Rule 7, Rule 9(b) and Rule 12(e), be entitled within six (6) months of the date on which such take-over offer is made or, if such take-over offer is conditional, within six (6) months of the date on which the take-over offer becomes or is declared unconditional (but not after the expiry of the Option Period relating thereto), to exercise in full or in part any Option as yet unexercised. However, if during such period of six (6) months, a party becomes entitled or bound to exercise rights of compulsory acquisition of the Shares under the provisions of any applicable law or regulations and gives notice to the Option Holder that it intends to exercise such rights on a specified date, the Option shall remain exercisable by the Option Holder until the expiry of such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised shall lapse provided that the offeror's rights of acquisition or obligations to acquire the Shares shall have been exercised or performed, as the case may be. If such rights or obligations have not been exercised or performed, the Option shall, subject to Rule 7, Rule 9(b) and Rule 12(e), remain exercisable until the expiry of the Option Period relating thereto.

For the avoidance of doubt, the provisions of this Rule 12(a) shall not come into operation in the event that a take-over offer which is conditional does not become or is not declared unconditional.

- (b) If under any applicable law, the court sanctions a compromise or arrangement, proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Option Holder shall be entitled, subject to Rule 7, Rule 9(b) and Rule 12(e), to exercise any Option then held by 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 sixty (60) days thereafter or the date upon which it becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon the Option shall automatically lapse and so thereafter become null and void.
- (c) In the event a notice is given by the 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 the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

Option Holders (together with a notice of the existence of the provisions of this Clause) and thereupon, each Option Holder (or his or her legal personal representative(s)) 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 the Company by giving notice in writing to the 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 the 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 or transfer the relevant Shares to the Option Holders credited as fully paid. All Options to the extent unexercised prior to the commencement of the voluntary winding-up of the Company shall, upon the commencement of such winding-up, automatically lapse and thereafter be null and void.

- (d) If an order of court or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall automatically lapse and thereafter be null and void.
- (e) If in connection with the making of a general offer referred to in Rule 12(a) or the scheme referred to in Rule 12(b) or the winding up referred to in Rule 12(c), 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 Option Holders, 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 exercised, shall not, except at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 12.
- (f) To the extent that an Option is not exercised within the periods referred to in this Rule 12, it shall lapse.

13. Rights and Obligations of Executives as Employees Unaffected

The terms of employment of a Participant shall not be affected by his participation in this Scheme 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 such Participant's employment for any reason.

14. Notices

- (a) Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other address as may be notified by the Company to him in writing.
- (b) Participants shall be entitled to receive copies of all notices, reports and accounts of the Company sent to Shareholders. Such notices or documents required to be given to a Participant shall be delivered to him by hand or sent to him at his home address according to the records of the Company and if delivered personally, shall be deemed to have been given on the date of delivery and if sent by post, shall be deemed to have been given on the day following the date of posting.

15. Taxes

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by that Participant.

16. Costs and Expenses of Scheme

- (a) Each Option Holder shall be responsible for all fees of the Depository relating to or in connection with the issue and allotment and/or transfer of any Scheme Shares, the deposit of share certificate(s) with the Depository, the Option Holder's securities account with the Depository, or the Option Holder's securities sub-account with a depository agent (collectively, the "Depository Charges").

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

- (b) Save for the taxes referred to in Rule 15 and the fees referred to in Rule 16(a), all fees, costs and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares of the Company pursuant to the exercise of any Option shall be borne by the Company.

17. Disputes

Any disputes or differences of any nature arising thereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

18. Disclaimer of Liability

Notwithstanding any provisions contained herein and subject to applicable laws, the Committee and the 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 the Company's delay in issuing and/or transferring the Scheme Shares or procuring the listing of the Scheme Shares on the SGX-ST in accordance with Rule 8(a)(ii)(and any other stock exchange on which the Shares are or may be quoted or listed).

19. Condition of Option

Every Option shall be subject to the condition that no Shares shall be issued and/or transferred pursuant to the exercise of an Option if such issue and/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 the jurisdiction of Singapore, Bermuda or any other relevant country or jurisdiction.

20. Governing Law

This Scheme shall be governed by and construed in accordance with the laws of Singapore. The Participants, by accepting Options in accordance with the Scheme, and the Company irrevocably submit to the exclusive jurisdiction of the courts of Singapore.

MEDTECS SHARE OPTION SCHEME

LETTER OF OFFER

Serial No. _____

Private & Confidential

Date: _____

To: Name
Designation
Address

Dear Sir/Madam

We have the pleasure of informing you that you have been nominated by the Committee of Directors of Medtecs International Corporation Limited (the "Company") to participate in the Medtecs Share Option Scheme (the "Scheme").

Accordingly, an offer is hereby made to grant you an Option (as defined in the Scheme), in consideration of the payment of a sum of S\$1.00, to subscribe for and be allotted or purchase _____ ordinary shares of par value of US\$0.05 each in the issued and paid-up share capital of Company (the "Shares") at the price of S\$ _____ per Share. The Option shall be subject to the rules of the Scheme, a copy of which is enclosed herewith. The Option is personal to you and shall not be transferable, assignable or chargeable by you to any other person in whole or in part except with the prior written approval of the Committee.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than _____ (a.m./p.m.) on _____, failing which this offer shall automatically lapse and shall thereafter be null and void.

Yours faithfully

The Committee
Medtecs Share Option Scheme

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

APPENDIX II

MEDTECS SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No. _____

Private & Confidential

To: The Company Secretary
Medtecs International Corporation Limited

Closing Time and Date for Acceptance of Offer : _____

Number of Shares offered : _____

Exercise Price (per Share) :S\$ _____

Total Amount Payable for the Shares (exclusive of the relevant Depository Charges (as defined below)) :S\$ _____

I have read your Letter of Offer dated _____ (Date of Grant) and agree to be bound by the Rules of the Medtecs Share Option Scheme stated 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\$_____ for each Share and enclose a *cheque/cashier's order/banker's draft postal order for S\$1.00 as consideration for the grant of the Option.

I am aware that I am not obliged to exercise my Option.

@I acknowledge and confirm that I shall be responsible for the payment (if any) of all fees of the Depository (as defined in the Scheme) relating to or in connection with the allotment and issue and/or transfer of any Shares in the Depository's name, the deposit of share certificate(s) with the Depository, my securities account with the Depository or my securities sub-account with a depository agent (as the case may be) (collectively, the "Depository Charges").

I further acknowledge and confirm that you have not made any representation to induce me to accept this 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.

I agree to keep all information pertaining to the grant of the Option to me confidential.

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

Please print in block letters

Name in Full _____

Designation _____

Address _____

Nationality _____

*NRIC/Passport No. _____

Signature _____

Date _____

NOTE:

1. Shares must be accepted in full or in multiples of 100 Shares.
2. The Acceptance Form must be sent to the Company Secretary in an envelope marked "Private and Confidential".
3. The Participant shall be informed by the Company of the relevant Depository Charges payable at the time of the exercise of an option, if any.

*Delete accordingly.

@If applicable.

MEDTECS SHARE OPTION SCHEME

EXERCISE OF OPTION

Serial No. _____

Private & Confidential

To: The Company Secretary
Medtecs International Corporation Limited

Total number of ordinary shares of par value of US\$0.05 each (the "**Shares**") offered at S\$_____ for each Share under the Scheme on _____ (Date of Grant) : _____

Number of Shares previously allotted and issued and/or transferred thereunder : _____

Outstanding balance of Shares to be allotted and issued and/or transferred thereunder : _____

Number of Shares now to be subscribed : _____

1. Pursuant to your Letter of Offer dated _____ (Date of Grant) and my acceptance thereof, I hereby exercise the Option to subscribe for _____ Shares in the capital of Medtecs International Corporation Limited at S\$_____ per Share.

2. I hereby request the Company to allot and issue and/or transfer the number of Shares specified in paragraph 1 above in my name/in the name of _____ to the credit of my securities account with the Depository or my securities sub-account with the Depository deliver the share certificate(s) relating thereto to me/the Depository. I further agree to bear such fees or other charges as may be imposed by the Depository (the "Depository Charges") in respect thereof: -

*(a) Direct Securities Account Number _____

Or

(b) Sub-Account Number _____

Name of Depository Agent _____

3. I enclose a *cheque/cashier's order/bank draft/postal order no. _____ of S\$_____ in payment for the following:-

(a) S\$_____ for the total number of the said Shares; and

(b) Depository Charges of S\$_____

4. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Medtecs Share Option Scheme and the Memorandum of Association and Bye-laws of the Company.

5. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.

ANNEXURE – RULES OF THE MEDTECS SHARE OPTION SCHEME

Please print in block letters

Name in Full _____

Designation _____

Address _____

Nationality _____

*NRIC/Passport No. _____

Signature _____

Date _____

NOTE:

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.
2. The Exercise of Option must be sent to the Company Secretary in an envelope marked "Private and Confidential".

*Delete accordingly.

@If applicable.