

**MEDTECS INTERNATIONAL CORPORATION LIMITED**  
(the "**Company**")  
(Incorporated in Bermuda)

**MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD AT SELETAR ROOM, HOLIDAY INN ATRIUM, 317 OUTRAM ROAD, SINGAPORE 169075 ON FRIDAY, 19 JUNE 2020 AT 3.00 P.M.**

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**PRESENT**

Mr Clement Yang Ker-Cheng	: Executive Chairman
Mr William Yang Weiyuan	: Executive Director/Chief Executive Officer
Mr Lim Tai Toon	: Lead Independent Director
Mr Wilfrido Candelaria Rodriguez	: Executive Director/Chief Financial Officer
Ms Carol Yang Xiao-Qing	: Independent Director
Dr Nieh Chien-Chung	: Independent Director

**ABSENT WITH APOLOGIES**

Mr Xia Junwei : Deputy Executive Chairman

Shareholders (attended via live webcast or audio conference)  
As per attendance list separately maintained by the Company.

Company Secretary (attended via live webcast or video conference)  
Ms Fazilah Abdul Rahman - Representative from Rajah & Tann Singapore LLP  
Ms Ferryn Ho - Representative from Rajah & Tann Singapore LLP  
Ms Lilian Kee - Representative from Rajah & Tann Singapore LLP

**BY INVITATION** (attended via live webcast or video conference)

From the Company  
Mr James Lin  
Ms Christine Yang  
Mr Eros Lee  
Ms Sherry Chen  
Mr Franc Ramon  
Mr Rolando Holgado

Auditor - SyCip Gorres Velayo & Co.  
Mr Jose Pepito Zabat III  
Mr Marco Barredo

Sponsor – R & T Corporate Services Pte. Ltd.  
Mr Howard Cheam  
Ms Cynthia Wu  
Mr James Chan  
Ms Danielle Basiuk

Share Transfer Agent – Boardroom Corporate & Advisory Services Pte. Ltd.  
Mr Aaron Wong  
Mr Ho Chu Cheng

Scrutineer – DrewCorp Services Pte. Ltd.  
Ms Chew Pei Tsing  
Ms Casey Tan

*The full attendance record (based on list of login credentials issued) is separately maintained by the Company Secretary.*

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### 1. INTRODUCTION

Mr Lim Tai Toon, the Lead Independent Director of the Company, presided over the meeting as Chairman ("**Chairman of Meeting**") pursuant to Bye-Law 62 of the Bye-Laws of the Company.

On behalf of the Board, the Chairman of Meeting welcomed all the shareholders of the Company (the "**Shareholders**") present at the Company's Annual General Meeting (the "**AGM**" or "**Meeting**") by way of electronic means. It was noted that pursuant to the Additional Guidance on the Conduct of General Meetings During Elevated Safe Distancing Period and checklist jointly issued by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and Singapore Exchange Regulation on 13 April 2020, which is based on the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company had put in place alternative arrangements for the Meeting to be attended via electronic means.

The Company's share registrar had verified that there were sufficient members present by proxy to form a quorum under the Company's Bye-laws. The Chairman of Meeting declared the Meeting open. He introduced the Directors present and informed that Mr Xia Junwei was unable to attend the Meeting and that he had expressed his apologies.

### 2. OPENING ADDRESS BY CHAIRMAN AND QUESTIONS FROM SHAREHOLDERS

Mr Clement Yang Ker-Cheng, the Executive Chairman of the Company (the "**Chairman**") gave an opening address which touched on the Company's strategies for sustainable, long-term growth in terms of operations, business strategies and branding. The following matters were highlighted:

#### a) Operations:

Management would push forward with various projects to improve the overall competitiveness of the Company, such as the implementation of the ERP and the CRM systems, the 5-S cost and the energy reduction schemes, as well as the automation process. All of the aforesaid projects are in line with the Group's sustainability initiatives as outlined in the Company's Sustainability Report.

#### b) Business Strategies:

The Company had used e-commerce platforms to (i) source for higher quality raw materials; and (ii) build deeper levels of engagement with more customers. The Company's strategy of "Source and Sell Globally" had served it well despite the current global economy where supply chains were unstable.

#### c) Branding:

The Chairman highlighted that "Trust" is the key where a supplier and a buyer decide to close a deal in the current economic climate. The Company has been around for more than 30 years and has established production lines in Taiwan, the Philippines, and Cambodia. It was noted that the Company had served many reputable medical institutions in Taiwan and the Philippines and had been listed on the stock exchanges in Singapore and Taiwan. Since the outbreak of the coronavirus, the Company had been recognized as the preferred trading partner and supplier for international buyers, owing to the good quality of the Company's products. The Chairman also mentioned that the Company had donated personal protective equipment kits and other essential medical supplies to help the front-line workers and the disadvantaged communities in Taiwan, the Philippines, and Cambodia. Indirectly, the Company had built its brand awareness in the new markets and formed alliances with different industries to create further value and generate more revenue.

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The Chairman informed the Shareholders that the Company had previously provided responses to the substantial and relevant questions submitted by shareholders no later than 3.00 p.m. on 16 June 2020 in the form of an announcement released to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") via SGXNET and on the Company's corporate website on 18 June 2020. The questions and answers released previously are set out in **Appendix 1** annexed to these minutes.

**3. NOTICE OF MEETING**

The Notice of Meeting dated 4 June 2020 ("**Notice of Meeting**") was taken as read.

The Chairman of Meeting informed the Shareholders that he had been appointed as proxy by all Shareholders who have submitted their proxy forms to cast votes for or against, or abstain from voting on, a resolution, and he would vote or abstain from voting in accordance with the instructions given by the appointing Shareholders.

The Chairman of Meeting also informed the Shareholders that voting on all resolutions tabled at the Meeting would be conducted by poll and that the proxy forms that were submitted by the 48-hour cut-off time before the Meeting had been checked. DrewCorp Services Pte. Ltd. had been appointed as Scrutineers in relation to the conduct of the poll. The number of votes that he had been directed to cast for and against, and the number of shares in respect of which he had been directed to abstain from voting on, each motion had been verified by the Scrutineers. The Chairman of Meeting further informed the Shareholders that he would announce the results of the poll for each Resolution during the course of the Meeting.

**ORDINARY BUSINESS**

**4. ORDINARY RESOLUTION 1: TO RECEIVE AND ADOPT THE DIRECTORS' REPORT AND STATEMENT AND THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 ("FY2019") TOGETHER WITH THE AUDITORS' REPORT THEREON**

The Chairman of Meeting presented the first item on the Agenda, which was to receive and adopt the Directors' Report and Statement and the Audited Financial Statements of the Company for FY2019, together with the Auditors' Report thereon.

The Chairman of Meeting proposed the motion in respect of Ordinary Resolution 1, and then proceeded to put the motion to the vote.

The results of the poll for the motion were as follows:

**322,122,443** shares voted in favour of Ordinary Resolution 1, representing 99.915% of the votes cast at the Meeting.

**274,000** shares voted against this Resolution, representing 0.085% of the votes cast at the Meeting.

The Chairman of Meeting declared the Ordinary Resolution 1 CARRIED by a majority vote and RESOLVED that the Directors' Report and Statement and Audited Financial Statements of the Company for FY2019 together with the Auditors' Report thereon be received and adopted.

**5. ORDINARY RESOLUTION 2: TO RE-ELECT MS CAROL YANG XIAO-QING, A DIRECTOR RETIRING BY ROTATION PURSUANT TO BYE-LAW 86 OF THE COMPANY'S BYE-LAWS**

The Chairman of Meeting informed the Meeting that item 2 of the Agenda was the re-election of Ms Carol Yang Xiao-Qing, an Independent Director of the Company, who retires by rotation

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at the Meeting under Bye-Law 86 of the Company's Bye-Laws, and being eligible, has offered herself for re-election.

Ms Carol Yang Xiao-Qing, upon re-appointment, will continue to serve as an Independent Director and the Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee of the Company. She will be considered independent for the purposes of Rule 704(7) of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Rules of Catalist**").

The Chairman of Meeting proposed the motion in respect of Ordinary Resolution 2, and then proceeded to put the motion to the vote.

The results of the poll for the motion were as follows:

**322,121,243** shares voted in favour of Ordinary Resolution 2, representing 99.914% of the votes cast at the Meeting.

**276,200** shares voted against this Resolution, representing 0.086% of the votes cast at this Meeting.

The Chairman of Meeting declared the Ordinary Resolution 2 CARRIED by a majority vote and RESOLVED that Ms Carol Yang Xiao-Qing who retires pursuant to Bye-Law 86 of the Company's Bye-Laws, and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.

**6. ORDINARY RESOLUTION 3: TO RE-ELECT MR LIM TAI TOON, A DIRECTOR RETIRING BY ROTATION PURSUANT TO BYE-LAW 86 OF THE COMPANY'S BYE-LAWS**

The Chairman handed over the chairmanship of the Meeting to Mr William Yang Weiyuan ("**Mr William Yang**") as the next item on the agenda was in relation to his re-election as a Director.

Mr William Yang informed the Meeting that item 3 of the Agenda was the re-election of Mr Lim Tai Toon as a Director of the Company. Mr Lim Tai Toon, who is an Independent Director of the Company, retires by rotation at the Meeting under Bye-Law 86 of the Company's Bye-Laws, and being eligible, has offered himself for re-election.

Mr Lim Tai Toon, upon re-appointment, will continue to serve as an Independent Director and the Chairman of the Audit Committee and a member of the Nominating Committee and the Remuneration Committee of the Company. He will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist.

Mr William Yang proposed the motion in respect of Ordinary Resolution 3, and then proceeded to put the motion to the vote.

The results of the poll for the motion were as follows:

**322,123,443** shares voted in favour of Ordinary Resolution 3, representing 99.915% of the votes cast at the Meeting.

**274,000** shares voted against this Resolution, representing 0.085% of the votes cast at the Meeting.

Mr William Yang declared the Ordinary Resolution 3 CARRIED by a majority vote and RESOLVED that Mr Lim Tai Toon who retires pursuant to Bye-Law 86 of the Company's Bye-Laws, and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.

Thereafter, Mr William Yang handed the chairmanship of the Meeting back to the Chairman of Meeting.

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**7. ORDINARY RESOLUTION 4: TO RE-ELECT DR NIEH CHIEN-CHUNG, A DIRECTOR RETIRING BY ROTATION PURSUANT TO BYE-LAW 85 OF THE COMPANY'S BYE-LAWS**

The Chairman of Meeting informed the Meeting that item 4 of the Agenda was the re-election of Dr Nieh Chien-Chung as a Director of the Company. Dr Nieh, who is an Independent Director of the Company, retires by rotation at this Meeting under Bye-Law 85 of the Company's Bye-Laws, and being eligible, has offered himself for re-election.

Dr Nieh, upon re-appointment, will continue to serve as an Independent Director and the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee of the Company. He will be considered independent for the purposes of Rule 704(7) of the Rules of Catalyst.

The Chairman of Meeting proposed the motion in respect of Ordinary Resolution 4, and then proceeded to put the motion to the vote.

The results of the poll for the motion were as follows:

**322,123,443** shares voted in favour of Ordinary Resolution 4, representing 99.915% of the votes cast at the Meeting.

**274,000** shares voted against this Resolution, representing 0.085% of the votes cast at the Meeting.

The Chairman of Meeting declared the Ordinary Resolution 4 CARRIED by a majority vote and RESOLVED that Dr Nieh Chien-Chung who retires pursuant to Bye-Law 85 of the Company's Bye-Laws, and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.

**8. ORDINARY RESOLUTION 5: TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF S\$194,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020, TO BE PAID QUARTERLY IN ARREARS**

The Chairman of Meeting proceeded to the next item on the Agenda, which was to propose the payment of Directors' fees of S\$194,000 for the financial year ending 31 December 2020, to be paid quarterly in arrears.

The Chairman of Meeting proposed the motion in respect of Ordinary Resolution 5, and then proceeded to put the motion to the vote.

The results of the poll for the motion were as follows:

**264,335,960** shares voted in favour of Ordinary Resolution 5, representing 99.882% of the votes cast at the Meeting.

**312,000** shares voted against this Resolution, representing 0.118% of the votes cast at the Meeting.

The Chairman of Meeting declared the Ordinary Resolution 5 CARRIED by a majority vote and RESOLVED that the payment of S\$194,000 as Directors' fees for the financial year ending 31 December 2020 be and is hereby approved and that such fees be paid quarterly in arrears.

**9. ORDINARY RESOLUTION 6: TO RE-APPOINT MESSRS SYCIP GORRES VELAYO & CO. AS THE COMPANY'S AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

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The Chairman of Meeting informed the Meeting that the next item on the agenda is to re-appoint Messrs SyCip Gorres Velayo & Co. as the Company's auditors and to authorise the Directors to fix their remuneration. Messrs SyCip Gorres Velayo & Co. have expressed their willingness to seek re-appointment at the Meeting.

The Chairman of Meeting proposed the motion in respect of Ordinary Resolution 6, and then proceeded to put the motion to the vote.

The results of the poll for the motion were as follows:

**322,122,443** shares voted in favour of Ordinary Resolution 6, representing 99.915% of the votes cast at the Meeting.

**274,000** shares voted against this Resolution, representing 0.085% of the votes cast at the Meeting.

The Chairman of Meeting declared the Ordinary Resolution 6 CARRIED by a majority vote and RESOLVED that Messrs SyCip Gorres Velayo & Co., be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors.

#### 10. ANY OTHER BUSINESS

As there were no further items of ordinary business arising, the Chairman proceeded to deal with the items of special business.

#### SPECIAL BUSINESS

#### 11. ORDINARY RESOLUTION 7: AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES

The Chairman briefly explained that the first item of special business on the Agenda was to seek shareholders' approval to authorise and empower the Directors to allot and issue shares in the capital of the Company and/or Instruments (as defined below). The full text of Ordinary Resolution 7 was set out under item 8 in the Notice of Meeting.

The Chairman of Meeting proposed the motion in respect of Ordinary Resolution 7, and then proceeded to put the motion to the vote.

The results of the poll for the motion were as follows:

**321,684,243** shares voted in favour of Ordinary Resolution 7, representing 99.779% of the votes cast at the Meeting.

**713,200** shares voted against this Resolution, representing 0.221% of the votes cast at the Meeting.

The Chairman of Meeting declared the Ordinary Resolution 7 CARRIED by a majority vote and RESOLVED that pursuant to Rule 806 of the Rules of Catalyst, authority be and is hereby given to the Directors of the Company to:

1. (i) allot and issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or  
  
(ii) make or grant offers, agreements or options that may or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares (collectively, the "Instruments"),

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2. (notwithstanding that the authority conferred by paragraph 1 of this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

at any time and from time to time upon such terms and conditions, whether for cash or otherwise, and for such purposes and to such persons as the Directors may think fit for the benefit of the Company, provided that:

- a. the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury shares of the Company (as calculated in accordance with sub-paragraph b. below), of which the aggregate number of shares to be offered other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury shares of the Company (as calculated in accordance with sub-paragraph b. below);
- b. for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph a. above, the percentage of the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury shares shall be calculated based on the total number of issued shares excluding treasury shares of the Company at the time of the passing of this Resolution, after adjusting for:
  - (i) new shares arising from the conversion or exercise of any convertible securities;
  - (ii) new shares arising from exercise of share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of shares;

provided that adjustments in accordance with sub-paragraphs (1) and (2) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- c. in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws for the time being of the Company; and
- d. unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held, whichever is the earlier, except that the Directors shall be authorised to allot and issue shares pursuant to any Instrument made or granted by the Directors while this Resolution was in force notwithstanding that such authority has ceased to be in force at the time of issue of such shares.

**12. ORDINARY RESOLUTION 8: AUTHORITY FOR DIRECTORS TO OFFER AND GRANT OPTIONS AND TO ALLOT AND ISSUE SHARES UNDER THE MEDTECS SHARE OPTION SCHEME**

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The Chairman of Meeting then proceeded to the last special business on the Agenda, which was to seek shareholders' approval for the Directors to offer and grant options and to allot and issue shares upon the exercise of options granted under the Medtecs Share Option Scheme. The full text of Ordinary Resolution 8 was set out under item 9 in the Notice of Meeting.

Any full-time employee of the Company or any Subsidiary including any Executive Director, Non-Executive Director, Controlling Shareholder and his Associate, who are eligible to participate in the Medtecs Share Option Scheme (collectively, "**Eligible Persons**"), were abstained from voting on Ordinary Resolution 8 set out under item 9 in the Notice of Meeting. Eligible Persons who were abstained personally from voting on the said ordinary resolution must not act as, or accept appointments as, proxies to vote on the said ordinary resolution for any Shareholders who were or might be regarded as being interested in the subject matter of the ordinary resolution.

The Chairman of Meeting proposed the motion in respect of Ordinary Resolution 8, and then proceeded to put the motion to the vote.

The results of the poll for the motion were as follows:

**263,935,760** shares voted in favour of Ordinary Resolution 8, representing 99.731% of the votes cast at the Meeting.

**713,200** shares voted against this Resolution, representing 0.269% of the votes cast at the Meeting.

The Chairman of Meeting declared the Ordinary Resolution 8 CARRIED by a majority vote and RESOLVED that the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the Medtecs Share Option Scheme ("**Scheme**") and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Scheme provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent. (15%) of the total number of issued shares excluding subsidiary holdings (as defined in the Rules of Catalyst) and treasury shares of the Company from time to time.

**13. TERMINATION**

There being no further business, the Meeting was concluded and declared closed at 3.45 p.m. with a vote of thanks to the Chairman.

CONFIRMED AS A TRUE RECORD OF PROCEEDINGS HELD

LIM TAI TOON  
CHAIRMAN OF MEETING



**APPENDIX – RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

<b>A. Business Performance</b>	
<b>1.</b>	<p><b><u>Question</u></b></p> <p><b>I would like to have more information on the business revenue and profit forecast for the second quarter and the remaining half of the year for 2020.</b></p>
	<p><b><u>Response</u></b></p> <p>The global demand for medical supplies and personal protective equipment has soared following the COVID-19 outbreak; as a result, the Company's revenue and profit have grown significantly. Our unaudited first quarter results and outlook were announced on 5 May 2020 via the SGXNet. The Company's half yearly results are scheduled to be announced in August 2020. With the continuing spread of COVID-19 around the world, the Company has received more purchase orders for its products, and expects revenue and profit growth for the second half of 2020 to be at least on par with that of the first half of 2020.</p> <p>The above is based on a preliminary assessment of the latest unaudited consolidated management accounts of the Group and is not based on any financial figures or information which have been audited or reviewed by the Group's auditors. Accordingly, shareholders are cautioned not to place undue reliance on any forward-looking statements, which are based on the current view of management regarding future events. The Company will provide further details of the Group's performance as and when appropriate (including providing relevant business updates between the announcements of its financial results).</p>
<b>B. Dividends</b>	
<b>2.</b>	<p><b><u>Question</u></b></p> <p><b>Will there be dividend payouts?</b></p>
	<p><b><u>Response</u></b></p> <p>Given that the Company has an earned surplus this year, the Board and the Management will discuss in the next Board meeting to be held in August 2020 as to whether to declare a dividend, and if so, the quantum of the dividend and the timeframe for payout, taking into account, among other things, the performance of the Company in the first half of the year.</p> <p>However, shareholders and potential investors should note that all the foregoing statements are merely statements of our present intention and do not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) in the Board's sole and absolute discretion. No inference should be or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends.</p>

<b>C. Production Capacity</b>	
<b>3.</b>	<p><b><u>Question</u></b></p> <p><b>Could Medtecs give us some colour on current capacity utilisation, percentage of current facilities used, number of worker shifts per day, hours per shift, and if 24/7 operation is feasible? What are the plans for capacity expansion and capex involved?</b></p>
	<p><b><u>Response</u></b></p> <p>In response to the surge in demand for the Company's products, the management of the Company has implemented the following measures to increase production capacity:</p> <ol style="list-style-type: none"> <li>1) increased the number of workers who are working in shifts around the clock to ensure uninterrupted output;</li> <li>2) converted idle plants into additional production bases;</li> <li>3) supplemented existing production lines with additional machines and equipment;</li> <li>4) increased automation and process control for more efficiency; and</li> <li>5) outsourced manufacturing of non-critical parts of the products.</li> </ol>
<b>D. Business Strategies</b>	
<b>4.</b>	<p><b><u>Question</u></b></p> <p><b>What plans does the company have to sustain its profitability after Covid-19? What strategies does the company have to improve its competitive edge and broaden its customer base?</b></p>
	<p><b><u>Response</u></b></p> <p>The Company has been fortunate to be able to capitalize on business opportunities during this challenging time. At the same time, we fully appreciate that our growth is not sustainable without the right strategies. We have decided not to increase output with large capital expenditures, but instead have chosen to augment our production capacity with cost-effective alternatives.</p> <p>For example, for items that we do not or cannot produce at short notice, but which are sought after on an urgent basis, we have actively sourced the items from reputable suppliers so as to meet the demand of our clients. This way, we maintain flexibility over our working capital and production resources while at the same time, we are able to meet our clients' needs as a total solution provider. This approach allows the Company to reach end users and suppliers alike, paving the way for beneficial relationships with both groups in the future.</p> <p>As disclosed in the Company's Annual Report and Sustainability Report for the financial year ended 31 December 2019, we will continue to push forward with various projects to improve the overall competitiveness of the Company. These projects</p>

include implementation of ERP and CRM systems to streamline workflow, the 5-S cost and energy reduction schemes, as well as automation of the manufacturing processes.

At the same time, we have expanded our use of e-commerce platforms to help us source for better quality raw materials, and drive more meaningful customer engagement. Our strategy of “Source and Sell Globally” has served us well in the current global economy where supply chains can be unstable.

We plan to leverage the *Medtecs* brand for more business opportunities and growth. “Trust” is key to whether a supplier and a buyer can quickly complete a transaction in the current economic climate. Medtecs has been around for more than 30 years, with production bases in Taiwan, the Philippines, and Cambodia. We have served many reputable medical institutions in Taiwan and the Philippines, and have been listed on the stock exchanges in Singapore and Taiwan. Since the outbreak of the coronavirus, we have been recognised as the preferred trading partner and supplier by international buyers, who have praised our products for quality; not to mention, in Taiwan, the Philippines, and Cambodia we have donated PPE kits and much-needed medical supplies to front-line workers and disadvantaged communities, generating positive publicity. We have boosted the Company’s overall brand awareness, which will help us expand into new markets and form alliances with different industries to further create value for our stakeholders.

**E. Taiwan Depository Receipts**

**5. Question**

**There is a huge difference in the share price between Taiwan and Singapore. This seems strange and is there anything I should be aware of? Is there any irregularity that causes this?**

**Response**

The Company’s Taiwan Depository Receipts (“**TDRs**”) are traded at higher prices than its shares which are listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**Singapore-listed Shares**”) because of the following reasons:

- 1). Only a portion of the Singapore-listed Shares were set aside for issue of the TDRs in Taiwan. As a result, the number of TDRs in circulation in Taiwan is much smaller than that of the Singapore-listed Shares. There is a limited number of TDRs available to be transacted.
- 2). Approval from various Taiwan authorities is needed to issue TDRs for the original shares. In contrast, the TDRs can be freely converted into original shares. This means that while it is relatively easy to reduce the number of outstanding TDRs, it is relatively more difficult to issue additional TDRs. There is as a result greater demand for the TDRs compared to the supply of TDRs, and thus, the price for the TDRs is much higher than that of the original shares.
- 3). Dividend payouts received by the TDR holders in Taiwan are considered foreign income. As a consequence, the TDR holders who receive dividends will enjoy certain tax exemptions under applicable Taiwan tax law. This makes the TDRs an attractive investment for Taiwan-resident investors.

	<p>4). The Company has been an established supplier for a number of Taiwan government agencies and medical institutions for a long time. The Company believes that this has allowed the Company to therefore enjoy greater recognition in Taiwan than in Singapore. This also contributes to relatively stronger demand for the TDRs by investors in Taiwan.</p>
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