



MEDTECS INTERNATIONAL CORPORATION LIMITED

(Incorporated in Bermuda)

ENTRY INTO JOINT VENTURE AGREEMENT WITH ACO INTERNATIONAL LIMITED

1. INTRODUCTION

The Board of Directors (the "**Board**") of Medtecs International Corporation Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, Medtecs (Asia Pacific) Pte. Ltd. ("**MAP**") has on 2 March 2021 entered into a joint venture agreement (the "**JV Agreement**") with ACO International Limited ("**ACO**", and collectively with MAP, the "**Parties**") to govern their relationship as shareholders of a joint venture company (the "**Joint Venture**"), further details as set out below.

2. INFORMATION ON RESILIENT MEDICAL

MAP had incorporated Resilient Medical Pte. Ltd. ("**Resilient Medical**") on 18 January 2021 in Singapore with an issued and paid-up share capital of S\$1,000 comprising 1,000 ordinary shares, which MAP holds in its entirety. The current directors of Resilient Medical are Mr Yang Furong, and Mr William Yang.

Resilient Medical has a book value of S\$1,000. As a newly incorporated company, it is currently not generating revenue or engaging in any business activity.

3. INFORMATION ON ACO

ACO is a special purpose vehicle incorporated on 24 September 2015 in the British Virgin Islands by a group of experienced and established professionals with extensive knowledge in the medical product supply chain and deep relationships across the US healthcare market. The current sole director of ACO is Mr Tung, Sung-Yuan, and the sole shareholder of ACO is MCO Global Limited, a company incorporated in the British Virgin Islands that is wholly owned by Mr Tung.

To the best knowledge of the Board, ACO and its directors and ultimate beneficial shareholders (as the case may be) are independent of the Company, its directors and controlling shareholders, and its respective associates.

4. PRINCIPAL TERMS OF THE JV AGREEMENT

Joint Venture

The Joint Venture is established for the purposes of building a fully vertically integrated product development, manufacturing, sales and distribution platform in line with the Company's mission to manufacture and deliver reliable, high-quality personal protective equipment ("**PPE**").

Pursuant to the terms of the JV Agreement, ACO will assist in the site selection for construction of a PPE production facility. Upon MAP's approval of the proposed site, both Parties will assist Resilient Medical with the purchase and development of the site and all matters in relation thereto.

Subscription

Pursuant to the terms of the JV Agreement, MAP and ACO will subscribe for, and Resilient Medical will allot and issue:

- (a) 2,499,000 ordinary shares to MAP for an aggregate consideration of US\$ 2.5 million less the US\$ equivalent of S\$1,000 already paid by MAP for 1,000 ordinary shares, payable in cash; and
- (b) 2.5 million ordinary shares to ACO for an aggregate consideration of USD 2.5 million payable in cash.

Both Parties agree that Resilient Medical will change the currency of its share capital from Singapore Dollars to United States Dollars, with the final capital injected by both Parties amounting to US\$ 5 million.

Following completion of the foregoing, Resilient Medical will have an issued and paid-up share capital of US\$5 million comprising 5 million ordinary shares held by MAP and ACO in equal proportions.

Future arrangements pursuant to the Joint Venture may be subject to such other terms and conditions to be agreed between the Parties in writing. The Company will make the relevant announcements in relation thereto at the appropriate juncture.

5. RATIONALE FOR THE SUBSCRIPTION AND JOINT VENTURE

The Board believes that the proposed subscription and Joint Venture will allow the Group to expand its manufacturing capabilities and product offerings and ultimately, expand its revenue streams. This is in line with the Company's strategy to leverage on the Parties' business network, resources and competitive strengths to capture increased market demand for PPE products worldwide and specifically, the U.S. market. ACO has connections to a significant network of health systems, hospitals and healthcare related providers and organisations, and its product development, sales and distribution capabilities, which will provide the Group with an opportunity for immediate access to the U.S. market.

The Board is of the opinion that the PPE market may experience lesser volatility over the next two years with customers needing a resilient, sustainable PPE product source and the Company can capitalize on this trend with a fully integrated supply chain model to deliver reliable, high-quality, and cost-effective PPE products in a way that does not widely exist yet in the U.S.

6. FINANCIAL EFFECTS AND IMPACT

The proposed subscription and Joint Venture will be funded by the Company's internal resources, and the financial effects of the aforementioned transactions on the net tangible assets per share of the Company and the earnings per share of the Company for the financial year ended 31 December 2020 are negligible.

Further, they are not expected to have any material impact on the consolidated earnings per share and/or net tangible assets per share of the Group for the current financial year ending 31 December 2021.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors of the Company (other than through their respective effective shareholding interests in the Company) or controlling shareholders of the Company (in so far as the Directors of the Company are aware) or their respective associates, have any interest, direct or indirect, in the JV Agreement or are related to ACO.

8. FURTHER ANNOUNCEMENTS

The Company will make further update announcements on SGXNet in compliance with the Singapore Exchange Securities Trading Limited's ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst on the Joint Venture as appropriate or when there are material developments in respect of the same.

9. DOCUMENTS FOR INSPECTION

Copies of the JV Agreement entered into by MAP and ACO and the corresponding share allotment instruments for Resilient Medical are available for inspection during normal business hours at the Company's registered office at 4F, 21 Merchant Road, Singapore 058267 for a period of three (3) months from the date of this Announcement.

Shareholders and potential investors should exercise caution when trading in the Company's shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

Submitted by Mr Clement Yang, Executive Chairman, on 2 March 2021 to the SGX-ST.

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.*

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