

APPENDIX DATED 13 APRIL 2021

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 Form) may be accessed at the Company's website at the URL <http://www.medtecs.com/en/about/investor-relations> 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**"). The Sponsor has not independently verified the contents of this Appendix, including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.

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 1, Singapore 018937.

This Appendix has been made available on SGXNET and the Company's website and may be accessed at the URL <http://www.medtecs.com/en/about/investor-relations>. 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 13 APRIL 2021

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

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DEFINITIONS

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

- "2020 SGM"** : The special general meeting of the Company held on 18 December 2020
- "2020 SGM Circular"** : The circular dated 25 November 2020 issued by the Company in connection with the 2020 SGM
- "2021 AGM"** : The FY2020 annual general meeting of the Company which is to be held on 28 April 2021
- "AGM"** : The annual general meeting of the Company
- "Annual Report"** : The annual report of the Company for the financial year ended 31 December 2020
- "Appendix"** : This appendix to the Notice of AGM dated 13 April 2021
- "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 30.0% or more;
 - (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 30.0% 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
- "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"** : The sponsor-supervised listing platform of the SGX-ST

DEFINITIONS

"Catalist Rules"	: Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited's Listing Manual, 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
"Companies Act"	: The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"Controlling Shareholder"	: A person who: (a) holds directly or indirectly 15.0% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company
"COVID-19 Act"	: The COVID-19 (Temporary Measures) Act 2020, as amended, modified or supplemented from time to time
"COVID-19 Order"	: The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended, modified or supplemented from time to time
"Directors"	: The directors of the Company as at the Latest Practicable Date
"EPS"	: Earnings per Share
"FY"	: Financial year ended or ending 31 December
"FY2020"	: Financial year ended 31 December 2020
"Group"	: The Company and its subsidiaries from time to time
"Investors"	: Investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act)
"Latest Practicable Date"	: 9 April 2021, 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
"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

DEFINITIONS

"NTA"	: Net tangible assets
"Notice of AGM"	: Notice of the 2021 AGM dated 13 April 2021
"Off-Market Purchase"	: Has the meaning ascribed to it in Section 2.3.3 of this Appendix
"Proxy Form"	: The proxy form in respect of the AGM
"Relevant Period"	: The period commencing from the date on which the last AGM was held and expiring on the date the next AGM 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
"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, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
"SGX-ST" or "Exchange"	: Singapore Exchange Securities Trading Limited
"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 " shall, in relation to such Shares, and where the context admits, 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
"SIC"	: The Securities Industry Council of Singapore
"Sponsor"	: The sponsor of the Company, R & T Corporate Services Pte. Ltd.
"SRS Investor"	: An investor who holds shares under the Supplementary Retirement Scheme
"Substantial Shareholder"	: A person (including a corporation) who has an interest, directly or indirectly, in one or more voting Shares in the Company and the total votes attached to such Share(s) is not less than 5.0% of the total votes attached to all the voting Shares (excluding any Treasury Shares) in the Company

DEFINITIONS

" Take-Over Code "	: The Singapore Code on Take-Over and Mergers, as may be amended or modified from time to time
" Treasury Shares "	: 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\$ " or " \$ " and " cents "	: Singapore dollars and cents, respectively, 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 Companies Act, as the case may be.

The terms "**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 Companies Act, the SFA, the Catalist Rules, the Take-Over Code or any relevant laws of 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 Companies Act, the SFA, the Catalist Rules, the Take-Over Code or any relevant laws of 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.

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. Conyers Dill & Pearman 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.

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

13 April 2021

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

Dear Sir / Madam

1. INTRODUCTION

The Company will be holding its 2021 AGM at Seletar Room, Holiday Inn Atrium, 317 Outram Road, Singapore 169075 on 28 April 2021 at 3.00 p.m., notice of which has been circulated along with the accompanying proxy form to Shareholders on 13 April 2021.

The purpose of this Appendix is to provide Shareholders with information relating to, and the rationale for, the proposed renewal of the Share Purchase Mandate, and to seek their approval for the same at the 2021 AGM.

For the avoidance of doubt, Depositors holding Shares through CDP are not to be treated, 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 2021 AGM. Depositors will be able to participate in the 2021 AGM only through CDP, the latter being the registered holder of Shares in the Company's Register of Members.

However, administrative arrangements have been made with CDP to allow Depositors to take part in the 2021 AGM. Depositors who wish to participate in the 2021 AGM and exercise their votes, and whose names are shown in the records of CDP as at a time not earlier than 72 hours prior to the time of the 2021 AGM supplied by CDP to the Company, may participate in the 2021 AGM as CDP's proxies. Please refer to Section 7 of this Appendix in respect of the action to be taken if you wish to attend and/or vote at the 2021 AGM.

For the purpose of this Appendix, the term "Shareholders" has been defined to also include reference to Depositors where the context admits and they will accordingly be treated administratively herein, where the context admits, as Shareholders with entitlements in respect of the proposed renewal of the Share Purchase Mandate.

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.

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

As a Bermuda-incorporated company which is listed on the Catalist of the SGX-ST, 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.

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. Bye-Law 3(2) provides that the Company may purchase its own Shares.

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 2021 AGM for the renewal of the Share Purchase Mandate to enable the Company to purchase or acquire its issued Shares. At the 2020 SGM, Shareholders had approved the adoption of the Share Purchase Mandate. The authority and limitations of the Share Purchase Mandate were set out in the 2020 SGM Circular and the ordinary resolution in the notice of the 2020 SGM dated 25 November 2020, respectively. The authority conferred by the Share Purchase Mandate adopted at the 2020 SGM was expressed to continue in force up to the date on which the next AGM is held or required by law to be held and, as such, would be expiring on 28 April 2021, being the date of the forthcoming 2021 AGM. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the forthcoming 2021 AGM.

If approved at the 2021 AGM, the authority conferred by the Share Purchase Mandate will take effect from the date thereof and continue in force until the next AGM (whereupon it will lapse, unless renewed at such meeting), or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next AGM), or the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earliest.

2.2 **Rationale for the Share Purchase Mandate**

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 to be used to purchase existing 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 award scheme (if any) in order to satisfy the awards given thereunder (if any).

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 2021 AGM, are substantially the same as those previously approved by Shareholders at the 2020 SGM 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 10.0% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings) as at the date of the 2021 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 amount of 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 546,411,240 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 2021 AGM, not more than 54,641,124 Shares (representing 10.0% 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 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 in the issued Shares 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 2021 AGM, at which the renewal of the Share Purchase Mandate is approved, up to the earlier of:

- (a) the date on which the next AGM is held or required by law 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 AGM); or
- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

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

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 ready market, 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 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 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 ancillary expenses such as related brokerage, commission, applicable goods and services tax, stamp duties and clearance fees) 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, 105.0% 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, 120.0% of the Average Closing Price (as defined hereinafter),

in either case, excluding related expenses of the purchase or acquisition (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 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 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 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 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, (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 canceled 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 Catalyst 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 cannot exercise any right in respect of 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 10.0% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the company.

Under Rule 704(31) of the Catalyst 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 Bye-Laws and the applicable laws in 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 Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial condition of the Company and would 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 or acquisition made pursuant to the Share Purchase Mandate on the NTA value 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 net tangible assets 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 FY2020, 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 546,411,240 Shares in issue. The Company holds 3,000,000 Treasury Shares as at the Latest Practicable Date.

Purely for illustrative purposes, on the basis of 546,411,240 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 2021 AGM and no Shares are purchased and held as Treasury Shares, not more than 54,641,124 Shares (representing 10.0% 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 54,641,124 Shares (representing 10.0% 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\$1.02 (equivalent to US\$0.76)¹ for one Share (being the price equivalent to 105.0% of the Average Closing Price of the Shares for the five 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 54,641,124 Shares is approximately S\$55,733,946 (equivalent to US\$41,527,254)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 54,641,124 Shares (representing 10.0% 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\$1.17 (equivalent to US\$0.87)¹ for one Share (being the price equivalent to 120.0% of the Average Closing Price of the Shares for the five 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 54,641,124 Shares is approximately S\$63,930,115 (equivalent to US\$47,537,778)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

¹ Based on the exchange rate of S\$1 : US\$0.7454 as at the Latest Practicable Date, as quoted by Bloomberg L.P.

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 54,641,124 Shares were carried out on 1 January 2020;
- (b) such purchase or acquisition of Shares is financed solely by the internal resources of the Company available as at 31 December 2020; 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 54,641,124 Shares (representing 10.0% 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 FY2020 are set out below:

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

	Before Share Purchase US\$'000	GROUP After Market Purchase US\$'000	After Off- Market Purchase US\$'000	Before Share Purchase US\$'000	COMPANY After Market Purchase US\$'000	After Off- Market Purchase US\$'000
<u>As at 31 December 2020 (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	3,484	3,484	3,484	572	572	572
Retained Earnings	157,789	157,789	157,789	74,340	74,340	74,340
Non-Controlling Interests	1,025	1,025	1,025	-	-	-
Treasury Shares	(2,115)	(43,642)	(49,653)	(2,115)	(43,642)	(49,653)
Total Shareholders' Equity	192,375	150,848	144,837	104,989	63,462	57,451
NTA ⁽¹⁾	186,060	144,533	138,522	104,900	63,373	57,362
Current Assets	203,943	162,416	156,405	81,224	39,697	33,686
Current Liabilities	45,985	45,985	45,985	4,537	4,537	4,537
Working Capital	157,958	116,431	110,420	76,687	35,160	29,149
Total Borrowings	33,081	33,081	33,081	1,250	1,250	1,250
Cash and Cash Equivalents	85,224	43,697	37,686	17,893	-	-
Number of Shares (in '000)	546,411	491,770	491,770	546,411	491,770	491,770
Financial Ratios						
NTA per Share ⁽²⁾ (cents)	34.05	29.39	28.17	19.20	12.89	11.66
Basic EPS ^{(3) (4)} (cents)	24.10	26.78	26.78	15.98	17.76	17.76
Current Ratio (times)	4.43	3.53	3.40	17.90	8.75	7.42
Gearing Ratio ⁽⁵⁾ (times)	0.17	0.22	0.23	0.01	0.02	0.02

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

	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
<u>As at 31 December 2020 (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	3,484	3,484	3,484	572	572	572
Retained Earnings	157,789	157,789	157,789	74,340	74,340	74,340
Non-Controlling Interests	1,025	1,025	1,025	-	-	-
Treasury Shares	(2,115)	(43,642)	(49,653)	(2,115)	(43,642)	(49,653)
Total Shareholders' Equity	192,375	150,848	144,837	104,989	63,462	57,451
NTA ⁽¹⁾	186,060	144,533	138,522	104,900	63,373	57,362
Current Assets	203,943	162,416	156,405	81,224	39,697	33,686
Current Liabilities	45,985	45,985	45,985	4,537	4,537	4,537
Working Capital	157,958	116,431	110,420	76,687	35,160	29,149
Total Borrowings	33,081	33,081	33,081	1,250	1,250	1,250
Cash and Cash Equivalents	85,224	43,697	37,686	17,893	-	-
Number of Shares (in '000)	546,411	491,770	491,770	546,411	491,770	491,770
Financial Ratios						
NTA per Share ⁽²⁾ (cents)	34.05	29.39	28.17	19.20	12.89	11.66
Basic EPS ^{(3) (4)} (cents)	24.10	26.78	26.78	15.98	17.76	17.76
Current Ratio (times)	4.43	3.53	3.40	17.90	8.75	7.42
Gearing Ratio ⁽⁵⁾ (times)	0.17	0.22	0.23	0.01	0.02	0.02

(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
<u>As at 31 December 2020 (audited)</u>						
Share Capital	27,471	24,739	24,739	27,471	24,739	24,739
Share Premium	4,721	4,251	4,251	4,721	4,251	4,251
Reserves	3,484	3,484	3,484	572	572	572
Retained Earnings	157,789	119,464	113,453	74,340	36,015	30,004
Non-Controlling Interests	1,025	1,025	1,025	-	-	-
Treasury Shares	(2,115)	(2,115)	(2,115)	(2,115)	(2,115)	(2,115)
Total Shareholders' Equity	192,375	150,848	144,837	104,989	63,462	57,451
NTA ⁽¹⁾	186,060	144,533	138,522	104,900	63,373	57,362
Current Assets	203,943	162,416	156,405	81,224	39,697	33,686
Current Liabilities	45,985	45,985	45,985	4,537	4,537	4,537
Working Capital	157,958	116,431	110,420	76,687	35,160	29,149
Total Borrowings	33,081	33,081	33,081	1,250	1,250	1,250
Cash and Cash Equivalents	85,224	43,697	37,686	17,893	-	-
Number of Shares	546,411	491,770	491,770	546,411	491,770	491,770

(in '000)	Before	GROUP	After Off-	Before	COMPANY	After Off-
	Share	After	Market	Share	After	Market
	Purchase	Market	Purchase	Purchase	Market	Purchase
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Financial Ratios						
NTA per Share ⁽²⁾ (cents)	34.05	29.39	28.17	19.20	12.89	11.66
Basic EPS ^{(3) (4)} (cents)	24.10	26.78	26.78	15.98	17.76	17.76
Current Ratio (times)	4.43	3.53	3.40	17.90	8.75	7.42
Gearing Ratio ⁽⁵⁾ (times)	0.17	0.22	0.23	0.01	0.02	0.02

(D) Purchases made entirely out of profits and cancelled

	Before	GROUP	After Off-	Before	COMPANY	After Off-
	Share	After	Market	Share	After	Market
	Purchase	Market	Purchase	Purchase	Market	Purchase
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As at 31 December 2020 (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	3,484	3,484	3,484	572	572	572
Retained Earnings	157,789	116,262	110,251	74,340	32,813	26,802
Non-Controlling Interests	1,025	1,025	1,025	-	-	-
Treasury Shares	(2,115)	(2,115)	(2,115)	(2,115)	(2,115)	(2,115)
Total Shareholders' Equity	192,375	150,848	144,837	104,989	63,462	57,451
NTA ⁽¹⁾	186,060	144,533	138,522	104,900	63,373	57,362
Current Assets	203,943	162,416	156,405	81,224	39,697	33,686
Current Liabilities	45,985	45,985	45,985	4,537	4,537	4,537
Working Capital	157,958	116,431	110,420	76,687	35,160	29,149
Total Borrowings	33,081	33,081	33,081	1,250	1,250	1,250
Cash and Cash Equivalents	85,224	43,697	37,686	17,893	-	-
Number of Shares (in '000)	546,411	491,770	491,770	546,411	491,770	491,770
Financial Ratios						
NTA per Share ⁽²⁾ (cents)	34.05	29.39	28.17	19.20	12.89	11.66
Basic EPS ^{(3) (4)} (cents)	24.10	26.78	26.78	15.98	17.76	17.76
Current Ratio (times)	4.43	3.53	3.40	17.90	8.75	7.42
Gearing Ratio ⁽⁵⁾ (times)	0.17	0.22	0.23	0.01	0.02	0.02

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 Earnings Per Share (EPS) equals to net profit attributable to owners of the Company divided by the weighted average number of Shares during FY2019.
- (4) Based on the total number of 546,411,240 issued Shares (excluding any Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.
- (5) 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 FY2020 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 10.0% of the total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10.0% of the total number of issued Shares as mandated. In addition, the Company may cancel or hold in treasury 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 or acquisition 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 10.0% 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 281,611,257 Shares, representing approximately 51.54% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings as well as the TDRs) are held by the public. Assuming that (a) the Company repurchased the maximum of 10.0% 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 46.15% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings and the TDRs).

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 10.0% 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 purchase.

2.10 Share Purchases in the Previous 12 Months

The Company acquired 3,000,000 Shares by way of Market Purchase on 8 March 2021 pursuant to the Share Purchase Mandate approved by the Shareholders at the special general meeting on 18 December 2020. The highest and lowest price paid for such Share purchases were S\$0.96 and S\$0.925 respectively, and the total consideration paid was S\$2,850,141.51 (including brokerage and other charges). These 3,000,000 Shares are held as treasury shares by the Company.

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 month immediately preceding the announcement of the Company’s half-year and full-year financial statements (if the Company does not announce its quarterly financial statements) and the period of two weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of the financial year and one month before the announcement of the Company’s full-year financial statements (if the Company announces its quarterly financial statements, whether required by SGX-ST or otherwise), as the case may be, 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 30.0% 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 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1.0% 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 months; (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six 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 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 20.0% 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 30.0% or more; or (b) if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of six 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 30.0% or more, or, if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of six 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 10.0% of its issued Shares as at the Latest Practicable Date. Further details of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out in Section 3 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 10.0% 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 Securities Industry Council 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. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 Directors' Interests

As at the Latest Practicable Date, the interests of the Directors in the Shares before and after a Share purchase pursuant to the Share Purchase Mandate, assuming (a) the Company purchases 54,641,124 Shares (being the maximum of 10% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date); and (b) there is no change in the number of Shares (whether deemed or direct) held by the Directors are set out below:

Directors	Before the Share Purchase				After the Share Purchase	
	Direct Interest		Deemed Interest ⁽²⁾		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	% ⁽³⁾	
Clement Yang Ker-Cheng ⁽⁴⁾	24,673,285	4.52	33,075,198	6.05	11.74	
William Yang Weiyuan ⁽⁵⁾	-	-	1,500,000	0.27	0.31	
Lim Tai Toon ⁽⁶⁾	-	-	20,000	0.004	0.004	
Carol Yang Xiao-Qing	-	-	-	-	-	
Nieh Chien-Chung	-	-	-	-	-	

Notes:

- (1) Based on 546,411,240 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) Assuming the Company purchases or acquires the maximum number of Shares, being 54,641,124 Shares (excluding Treasury Shares and subsidiary holdings) pursuant to the Share Purchase Mandate, the percentage after the Share Purchase is calculated based on 546,411,240 Shares (excluding Treasury Shares and subsidiary holdings).
- (4) Clement Yang Ker-Cheng is deemed to be interested in 18,506,621 shares and 14,568,577 shares held by South World Investment Ltd. and Maybank Kim Eng Securities Pte. Ltd., respectively.
- (5) William Yang Weiyuan is deemed to be interested in 1,500,000 shares acquired through his sub-brokerage account maintained with a Taiwan brokerage house.

(6) Lim Tai Toon is deemed to be interested in 20,000 shares held by his wife, Mdm Wong Lai Kwan.

3.2 **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 above, other than through their respective shareholdings in the Company, none of the Directors or the Substantial Shareholders of the Company has any interest, whether directly or indirectly, in the proposed renewal of the Share Purchase Mandate to be proposed by way of an ordinary resolution at the AGM.

4. **DIRECTORS' RECOMMENDATION**

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 the ordinary resolution 15 relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2021 AGM.

5. **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, 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.

6. **INSPECTION OF DOCUMENTS**

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, the following documents are available for inspection at the Singapore office of the Company at 4F., 21 Merchant Road, Singapore 058267 during normal business hours for a period of three (3) months from the date of this Appendix:

- (a) the Memorandum and Bye-Laws of the Company; and
- (b) the Annual Report, which may also be accessed via SGXNET.

Yours faithfully

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

Clement Yang Ker-Cheng
Executive Chairman