



MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)

Announcement on Unaudited Third Quarter Results and Outlook

The Board of Directors (the "**Board**") of MEDTECS INTERNATIONAL CORPORATION LIMITED (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to update shareholders regarding the financial results of the Group for the third quarter ended 30 September ("**3Q**") 2020.

Based on the preliminary assessment of the latest unaudited consolidated management accounts:

- (a) as set out in the following table, during 3Q 2020, the Company's revenue reached US\$124.6 million, an increase of 636% over the same period last year; and after-tax net profit reached US\$45.7 million, an increase of 1,115 times over the same period last year;

	3Q 2020	3Q 2019	Increase	Percentage Increase (%)
(US\$'000)				
Revenues	\$124,591	\$16,919	\$107,672	636
Gross Profit	\$65,463	\$2,280	\$63,183	2,771
Net Profit	\$45,742	\$41	\$45,701	111,466

- (b) as set out in the following table, in the first three quarters of 2020, the Group's total revenue was US\$287.2 million, an increase of 4.74 times over the same period last year; and after-tax net profit was US\$84.6 million, an increase of 198 times over the same period last year; and

	1Q-3Q 2020	1Q-3Q 2019	Increase	Percentage Increase (%)
(US\$'000)				
Revenues	\$287,199	\$50,074	\$237,125	474
Gross Profit	\$116,884	\$7,582	\$109,302	1,442
Net Profit	\$84,634	\$426	\$84,208	19,767

- (c) the earnings per share¹ for the first three quarters of 2020 was 15.404 US cents.

The Coronavirus Disease 2019 ("**COVID-19**") pandemic has triggered a surge in global demand for personal protective equipment (PPE), which accounted for the Group's increase in revenue and net profit in the first three quarters of 2020. More importantly, the Group has adopted the following strategies and acted swiftly in their execution to deliver these results:

¹ Computed based on 549,411,240 issued shares, with 5 US cents par value per share, in the capital of the Company as at the date of this announcement.

- (1) Implementation of the "Source and Sell Globally" strategy to provide one-stop, bundled services to meet our customers' demand for head-to-toe protection by supplementing our existing products with those from third-party vendors from varied locations.
- (2) Use of e-commerce platforms and data analysis to source for potential customers and new vendors.
- (3) Leveraging the corporate brand and the overall goodwill and trust in the Group, which was strengthened as the COVID-19 crisis progressed, to develop the Group's own *CoverU* line of PPE. (Note: The percentage of sales of own label products in the first three quarters of 2020 has exceeded 68% of the Group's total sales).
- (4) Securing recurring orders and cultivating long-term relationships with customers.

These strategies will inform the Company's overall operation and business planning moving forward. Looking ahead, due to the ongoing COVID-19 pandemic, the daily confirmed cases of which have only increased, and with the prospect of a safe and effective vaccine still uncertain, the Board expects market demand to remain strong. With long-term indicative orders in hand and stabilizing raw material prices, the Company expects to report record revenue and profit in the fourth quarter and financial year ending 31 December 2020.

This announcement 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 forward-looking statements within this announcement, 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).

Submitted by Mr Clement Yang, Executive Chairman, on 13 October 2020 to the SGX-ST.

*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.*

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

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