



MEDTECS INTERNATIONAL CORPORATION LIMITED

(Incorporated in Bermuda)

Annual General Meeting to be held on 28 April 2021 – Responses to Substantial and Relevant Questions

The Board of Directors (the "**Board**") of MEDTECS INTERNATIONAL CORPORATION LIMITED (the "**Company**", and together with its subsidiaries, the "**Group**") would like to thank all shareholders who submitted their questions in advance of the Annual General Meeting of the Company to be held on 28 April 2021 at 3.00 p.m. which may only be attended via electronic means (the "**AGM**").

We have grouped the substantial and relevant questions received under a few key topics. Please refer to our responses to these questions in the appendix below. Due to the high volume and overlaps in questions received, we apologise that we were unable to respond to all of the questions.

Following the conclusion of the AGM, the voting results of the AGM will be uploaded on the SGXNet. The minutes of the AGM will be published on the SGXNet and the Company's website at the URL <https://www.medtecs.com/medtecs-stock-information-for-investors/> on or before 28 May 2021.

Submitted by Mr Clement Yang, Executive Chairman, on 27 April 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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APPENDIX – RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

A. Mainboard Transfer Application	
1	<u>Question</u> Can you provide updates on the SGX mainboard listing?
	<u>Response</u> <p>The Board wishes to assure shareholders of the Company of its continuing intention to effect the Proposed Transfer. Further updates on the outcome of the Proposed Transfer will be provided to Shareholders in due course.</p>
B. Business Performance	
2	<u>Question</u> Any updates on the status of the state or government agencies that are in talks for long term supply contracts?
	<u>Response</u> <p>The Group aspires to be the go-to personal protective equipment (PPE) total-solution provider and the PPE stockpiling partner for nations and global group purchasing organizations alike. Thanks to the Group's unique position of being the biggest PPE provider in the Philippines as well as a founding member of the Confederation of Philippine Manufacturers of PPE, the Company's subsidiary has won multiple local tenders amounting to US\$10 million since the start of 2021. The Group has also acquired a PPE supply contract with the Philippine central government and PPE contracts with a number of local government unit (LGU) , amounting to a total value of US\$10 million.</p> <p>The Group is also exploring opportunities to be a vendor of protective uniforms for the Philippine central government's employees and civil servants and is concurrently applying for the relevant import and distribution permits for medical devices so that it may continue to serve the needs of the Philippine market.</p> <p>In April 2021, the Group entered into a number of agreements with the Ministry of Health of Cambodia to supply N95 respirators, isolation gowns, shoe covers, and coveralls. The Group will continue to leverage its strength as the biggest PPE manufacturer and supplier in Cambodia to secure more long-term supply contracts with government agencies,</p>

	<p>and to position itself as the Cambodian government’s national stockpiling partner.</p>
<p>3</p>	<p><u>Question</u></p> <p>a) How is the business in Q1? There are on-going COVID situations despite of vaccine roll-out, worse in many countries, how have the situation affected/helped the business of the Company?</p> <p>b) How have markets responded to Medtecs' new products such as recyclable face shield and other antiviral products that Mr. Chairman has reported in previous presentations?</p> <p>c) What are the additional Capex and R&D expenses expected for the new products?</p>
	<p><u>Response</u></p> <p>a) The general view was that the pandemic would soon be under control, or eradicated, when the vaccines started to become available to the general public in the fourth quarter last year. As a result, our clients became more conservative in the orders they placed during that quarter. However, with the surge of COVID-19 variants and new waves of infections in many parts of the world, the market has become less optimistic and the Company has observed a trend of clients placing higher-volume orders to rebuild their inventory level. Some countries have started to amass their first national stockpile of PPE and the Group will continue to pursue these opportunities for collaboration and service partnerships.</p> <p>b) The market has responded favorably to the Company’s <i>Medtecs Shield</i> collection judging by the inquiries we have received since its launch in early April. However, as most consumers are not familiar with the extent of the anti-viral and anti-bacterial power of the nanocomposite (“TTA”), which is the hallmark of the <i>Medtecs Shield</i> collection despite numerous test reports and certificates, the Management expects a continued need for marketing initiatives and campaigns to raise consumer awareness of both TTA and the <i>Medtecs Shield</i> collection. It may take time to educate the market about what the collection has to offer and for the Company to see sales take off, but the Company considers the <i>Medtecs Shield</i> collection a worthy endeavor that will definitely pay off in the long term, as more people realize vaccination itself does not guarantee immunization or complete protection from communicable diseases and that products such as those in the collection, which inhibit viral and bacterial growth are needed on the final frontiers of disease control and prevention.</p>

	<p>c) Backed by our unique position as a trusted one-stop-shop PPE solutions and hospital logistics service provider, the Group understands first-hand the needs of end users and is able to come up with solutions that will fix their pain points without unnecessary detours.</p> <p>Based on discussions with the medical staff, health workers and hospitals we serve, we see the need for a portfolio of products that can be used in conjunction with our PPEs to provide complete protection from communicable disease in the post-pandemic world, resulting in the launch of the <i>Medtecs Shield</i> collection.</p> <p>The Research & Development (R&D) involved for the development of the collection are well under control. The <i>Medtecs Shield</i> products are all empowered by nanotechnology to have potent anti-viral and anti-bacterial properties. Specifically, these products have all been treated or coated with TTA, a revolutionary, patented nano-composite that suppresses growth of viruses and bacteria to provide long-lasting protection from harmful pathogens. A Taiwanese company developed TTA but has not been able to commercialise it. The Company has partnered up with the Taiwanese Company to help the latter educate the general public about the powers of TTA, and the Company is able to apply TTA to a variety of disease-prevention products that can be integrated in the end-users' daily routine.</p> <p>In order to minimize the environmental impact associated with high volumes of single-use PPE as a consequence of the on-going pandemic, the Company's R&D team is also working with different partners to create solutions to ameliorate the PPE waste issue. For example, the Weekly Disposable Masks in the <i>Medtecs Shield</i> Collection can be worn up to 7 days, odor-free, so wearers can protect themselves from pathogens while protecting the environment.</p>
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C. Dividends

4	<p><u>Question</u></p> <p>Has the management decided whether to have a fixed dividend policy? A fixed dividend policy and growth of the company will attract more investor to invest in the company.</p>
	<p><u>Response</u></p> <p>The Company does not have a fixed dividend policy. In recent years, the Company has been investing in our operations, which has positioned it well to meet the sudden surge in demand for PPE in the financial year ended 31 December 2020 (FY2020) with the outbreak of COVID-19. To</p>

	<p>thank our loyal shareholders for their support and given our strong financial performance in FY2020, the Company had declared a final dividend of US\$0.0418 per ordinary share February 2021, subject to shareholder approval at the Annual General Meeting on 28 April 2021. With reference to the Company's payment of an interim dividend of US\$0.0085 per ordinary share announced on 11 August 2020 and distributed on 11 September 2020, the total dividend declared for FY2020 amounts to US\$0.0503 per ordinary share.</p> <p>To ensure the Company's sustainable growth in the years to come, we will need to strike a balance between distributing dividends and retaining capital for financial flexibility and funding growth given the strong industry growth opportunities.</p> <p>Given that the Board is confident that the Company will remain profitable in the financial year ending 31 December 2021 (FY2021), and to reward our shareholders, the Board is of the view that there will likely be dividend payouts for FY2021. However, the frequency and quantum of dividends on the Company's shares will depend on the earnings, financial position, results of operations, cash flow, capital needs, general business condition, plans for expansion and other factors which the Board may deem appropriate.</p> <p>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) at 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>
<p>D. Business Strategies</p>	
<p>5</p>	<p><u>Question</u></p> <p>Please elaborate Business Plans at the AGM and its outlook for 2022-23. Thank you</p>
	<p><u>Response</u></p> <p>Looking ahead, the Board expects demand for PPE to remain elevated even as vaccinations gain pace due to the enhanced safety and hygiene practices at hospitals and public areas, change in consumer behavior and with governments and medical institutions building their own stockpiles of PPE and other medical consumables.</p> <p>The Company will continue to focus on executing our growth strategy to become a leading PPE stockpiling services provider and Asia's first multi-national group procurement platform with one-stop-shop</p>

	<p>capability, which will allow it to provide value-added services so that the Company does not compete with other PPE vendors on price alone.</p> <p>In support of the above growth strategy, the Management are taking the following actions:</p> <ul style="list-style-type: none"> (i) Partnership with key raw material suppliers and industry players: We are in talks with key industry players to develop new product lines and broaden our PPE product range to include items such as gloves, syringes, rapid test kits, and medical devices such as ventilators and nebulizers to secure long-term supply contracts with major group purchasing organizations worldwide. (ii) Expansion of sales channels : Through the use of e-commerce platforms and social media such as Medtecs Express services, as well as the Company’s official Instagram, Facebook, and Twitter accounts, we are increasing the visibility of the Medtecs brand and promoting our own branded products. The Group also is in partnership with Amazon and Newegg to enhance logistics and distribution capabilities for the North American market. We expect to see further growth in terms of revenue when the Company sets up more Amazon and Newegg stores to cover different regions to offer more products. (iii) Mergers & Acquisitions and Joint Ventures: The Company will work with external experts and partners to leverage on their global connections and talents to capture increased market demand for PPE products worldwide. Specifically, the Group has incorporated a joint venture company, Resilient Medical Ptd Ltd, with our partner, ACO International Limited (ACO), to build a fully integrated product development, manufacturing, and sales and distribution platform. The joint venture will allow Medtecs to expand manufacturing capabilities and product offerings and ultimately, expand our revenue streams. <p>As a major player in the global PPE market, the Group is well positioned to address the supply chain issues uncovered during the pandemic. The Company’s goal is to ultimately build a resilient global PPE supply chain with government agencies, brand owners and industry players.</p>
6	<p><u>Question</u></p> <p>1) Given that the battle against COVID-19 continues to be protracted, to enhance earnings visibility, has the management looked into establishing contract with its long-term customers - selling a fixed volume at fixed price to its customers?</p>

	<p>2) In terms of total sales volume, is 2021 sales expected to decrease from the high base of 2020 by ~20%?</p>
	<p><u>Response</u></p> <p>1) The Company's strategy is to secure recurring orders of large volume from our customers, both existing and newly-acquired, so as to create long-term steady revenue streams as the foundation for our continued growth. Our goal is to enter such long-term supply contracts with at least two of the three largest group purchasing organizations in the North American region this year.</p> <p>2) 2020 was an exceptional year. It will be challenging for the Group to exceed our performance in FY2020. However, judging by the World Health Organization's statistics of the COVID-19 situation, the Company is of the view that global demand for PPE will remain elevated for the foreseeable future, and the level of awareness for healthcare products will remain high. The Group's revenue in the first quarter of FY2021 increased compared with the same period in 2020. The Group will continue to work towards becoming a leading PPE stockpiling services provider and Asia's first multi-national group procurement platform with one-stop shop capability to generate long-term revenue and growth.</p> <p>The above is based on a preliminary assessment of the latest unaudited 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>