

MCE to expand further through strategic M&A/partnerships to capture the burgeoning digital healthcare market

- **Strong focus to be on geographical diversification of Gainhealth, MCE's existing epharmacy business**
- **Identified other key areas of growth including remote monitoring powered by IoMT, homecare services and chronic disease management**
- **Entrant to "Smart Hospital" initiatives, with preliminary discussion underway and West Java identified as region of interest**
- **Appointment of a strong and committed management and advisory team to ensure realization of the Group's vision in becoming the preferred service and solutions provider within the digital healthcare sector**

Singapore, 16 August 2021 — Catalyst-listed Metal Component Engineering Limited ("MCE" or the "Group") is pleased to announce its expansion plans within the Digital Healthcare space to capitalize on the massive potential and opportunities within this sector. Since the onset of the Covid-19 pandemic, adoption of healthcare technology has accelerated with higher utilization rates, with HealthTech usage growing by over 4x in the Southeast Asia region and has retained its users post-lockdown¹. The Covid-19 pandemic has also lowered the barriers to entry and accelerated digital patient support solutions, leading to greater commercial interest in Telemedicine and ePharmacy.

Having identified the opportunities within the digital healthcare sector, the Group has mapped its growth plans and will focus on a three-pronged approach laid out below.

1. Geographical diversification of its existing epharmacy business

Gainhealth Pte Ltd ("Gainhealth"), the Group's recent acquisition in July 2021, is a vertically integrated healthcare service provider with physical clinic, homecare business, and healthcare technology business through its ePharmacy arm that operates multiple online e-commerce portals, a high growth omnichannel health and wellness digital platform. Currently having presence in Singapore and Malaysia, the Group plans to expand to Indonesia, achieving geographical diversification in a market with huge growth potential. Indonesia has one of the lowest doctors to population ratio, as well as one of the lowest hospital beds to population ratio in the Southeast Asia region¹, and coupled with its huge rural population base, presents immense potential for telemedicine and epharmacy.

¹ https://www.bain.com/globalassets/noindex/2020/e_economy_sea_2020_report.pdf

2. Further develop remote monitoring and care co-ordination

The Group will focus on developing capabilities within remote monitoring with Internet of Medical Things (IoMT) that is associated with the MedTel investment². This has been the focus for entering the homecare services and chronic disease management ecosystem with a data driven approach, and e-referrals within outpatient medical services. Creating a managed care network with these partnerships under “Gainhealth Care Network”, which includes ambulance services, nursing groups, primary care clinics, day surgery and specialist partners, the group is looking at bringing better outcomes and controlling costs for outpatient care.

3. Entrant to smart hospital initiatives

For the next phase in developing complementary organic growth and inorganic acquisition opportunities, the Group has identified likely partners in Indonesia and a region of interest in West Java to implement its platforms for empowering provider groups under a “Smart Hospital” initiative, which aims to bring a telco and large technology partner together for implementation. This will be facilitated through 5Digital Pte Ltd, a subsidiary of the Group and will be a proven SaaS, cloud based and edge capable platforms for digital health within hospitals and homes, leveraging on a network of partnerships with healthcare datacentre providers and device companies. This will help health professionals in these hospitals to engage their patients and scale with improved technology solutions. Healthcare data will be the focus with secure analytics and revenue sharing opportunities on implementing new digital health services with hospital chains in the region.

The above initiatives are mapped to allow MCE to drive significant value for its stakeholders and create market leadership, which will require the leadership of a strong and committed management and advisory team. The Group has therefore appointed the following leadership, a diverse and multidisciplinary team which is aligned to the Group’s commitment to a preferred service and solutions provider within the digital healthcare sector.

- a) Mr Ahillan Pupalasingam, as Chief Investment Officer for MCE and CEO of 5Digital Pte Ltd. He has over 20 years of international experience in senior roles for several Global Banks in the UK, Hong Kong and Singapore. He has also venture and private investment experience in Fintech and E-Commerce segments in the last few years.
- b) Dr Vas Metupalle, as Chief Medical Officer for 5Digital Pte Ltd. He is a healthcare entrepreneur with 13 years of experience as founder with Teleradiology (Clarity) and Telemedicine (MyDoc). He has experience regionally in implementing diagnostic and outpatient healthcare services for corporate health and insurance industry partners.

² On 27 July 2021, the Group announced that Metal Precision Services Pte. Ltd. entered into a term sheet with MedTel Healthcare Private Limited (“MedTel”) for MPS to subscribe for up to 10% of the issued and paid-up equity share capital of MedTel (“MedTel Investment”).

- c) Mr Mika Mikkonen, as Head Business Development for 5Digital Pte Ltd. He has experience in Telco and IoT verticals to enable “telco as reseller” – successfully launched with various telcos in over 31 countries. He is from Finland and lived in Singapore for over 8 years developing digital solutions for joint go to market with telco channels and cross-selling digital services. This includes areas covering enterprise digital security ecosystem, smart city and biometric systems.
- d) Dr Bernard Ng, as Board Advisor to MCE, who has extensive experience as a global medical director for consumer healthcare in Bayer, and has led several digital transformation initiatives and advises promising healthcare start-ups.

Led by a committed team of experienced professionals, MCE will look out for strategic acquisitions or partnerships to achieve further expansion within the digital healthcare market within the Southeast Asia and South Asia regions and will make relevant announcements as and when there are material updates.

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About Metal Component Engineering

Metal Component Engineering (MCE) was founded in 1987 in Singapore. With consistent focus on quality and engineering innovation, the company has expanded its customer base by serving MNC (Multi-National-Corporation), EMS (Electronic Manufacturing Services), and SME (Small-Medium-Enterprise) globally. MCE has recently announced diversification into healthcare technology and services with investment into GainHealth, a direct-to-consumer and high-growth omnichannel health and wellness platform. The company is vertically integrated with licenced clinics with pharmacy, online self-branded e-commerce portals, and product placements on regional e-commerce portals.

For more information, visit www.mce.com.sg , www.gainhealth.life , www.medtel.io

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