



## MEDTECS INTERNATIONAL CORPORATION LIMITED

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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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### Unaudited Half Year Financial Statements For The Period Ended 30 June ("1H") 2024

#### CONDENSED INTERIM STATEMENTS OF INCOME

|                                   | Group                                     |   |                         |
|-----------------------------------|---|---|-------------------------|
|                                   | US\$'000                                  |   | %                       |
|                                   | Latest Half Year<br>Ended<br>30 June 2024 | Previous Half Year<br>Ended<br>30 June 2023 | Increase/<br>(Decrease) |
| <b>Revenue</b>                    | 25,527                                    | 26,538                                      | (3.8)                   |
| Costs of sales and services       | (22,377)                                  | (22,281)                                    | 0.4                     |
| <b>Gross profit</b>               | 3,150                                     | 4,257                                       | (26.0)                  |
| <b>Other items of income</b>      |   |   |                         |
| Other operating income, net       | 1,035                                     | 964   | 7.4                     |
| Financial income                  | 698                                       | 663   | 5.3                     |
| <b>Other items of expense</b>     |   |   |                         |
| Distribution and selling expenses | (2,667)                                   | (4,119)                                     | (35.3)                  |
| Administrative expenses           | (6,642)                                   | (7,118)                                     | (6.7)                   |
| Financial expenses                | (407)                                     | (395)                                       | 3.0                     |
| <b>Loss before tax</b>            | (4,833)                                   | (5,748)                                     | (15.9)                  |
| Income tax benefit (expense)      | 122                                       | (21)  | (681.0)                 |
| <b>Net loss for the period</b>    | (4,711)                                   | (5,769)                                     | (18.3)                  |
| <b>Attributable to:</b>           |   |   |                         |
| Equity holders of the Company     | (3,879)                                   | (5,358)                                     | (27.6)                  |
| Non-controlling interests         | (832)                                     | (411)                                       | 102.4                   |
| <b>Net loss for the period</b>    | (4,711)                                   | (5,769)                                     | (18.3)                  |

| US\$'000                               |  |
|--|--|
| Latest Half Year Ended<br>30 June 2024 | Previous Half Year Ended<br>30 June 2023 |

|  |       |       |
|--|-------|-------|
| Depreciation   | 2,187 | 2,086 |
| Amortisation of:   |       |       |
| Assets held for leasing                                  | 937   | 1,006 |
| Right-of-use assets                                      | 502   | 544   |
| Intangible assets  | 117   | 10    |
| Interest expense on:                                     |       |       |
| Loans  | 238   | 225   |
| Lease liabilities  | 143   | 143   |
| Provision for:   |       |       |
| Impairment on property, plant and equipment              | 1,523 | –     |
| Expected credit losses                                   | 491   | –     |
| Inventory losses   | –     | 440   |
| Write-off of inventories                                 | 516   | –     |
| Other finance cost                                       | 26    | 27    |
| Interest income  | (698) | (608) |
| Dividend income  | –     | (55)  |
| Loss (gain) on disposal of property, plant and equipment | –     | (361) |
| Foreign exchange loss/(gain)                             | (532) | (126) |

## CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

|   | Group                                  |  |                         |
|---|--|--|-------------------------|
|   | US\$'000                               |  | %                       |
|   | Latest Half Year Ended<br>30 June 2024 | Previous Half Year Ended<br>30 June 2023 | Increase/<br>(Decrease) |
| Loss after tax  | (4,711)                                | (5,769)                                  | (18.3)                  |
| Other comprehensive income:   |  |  |                         |
| <i>Item that may be reclassified subsequently to profit or loss</i>                         |  |  |                         |
| Exchange difference on consolidation  | (573)                                  | 179                                      | (420.1)                 |
| Unrealized gain (loss) on financial assets at fair value through other comprehensive income | –                                      | 235                                      | (100.0)                 |
| Actuarial gains   | 18                                     | –  | 100.0                   |
| Total comprehensive loss  | (5,266)                                | (5,355)                                  | (1.7)                   |
| <b>Attributable to:</b>   |  |  |                         |
| Equity holders of the Company   | (4,434)                                | (4,944)                                  | (10.3)                  |
| Non-controlling interests   | (832)                                  | (411)                                    | 102.4                   |
| Total comprehensive loss  | (5,266)                                | (5,355)                                  | (1.7)                   |

## CONDENSED INTERIM BALANCE SHEETS

|                                    |        | Group<br>US\$'000 |                | Company<br>US\$'000 |               |
|------------------------------------|--------|-------------------|----------------|---------------------|---------------|
|                                    |        | 30 June 2024      | 31 Dec 2023    | 30 June 2024        | 31 Dec 2023   |
| <b>ASSETS</b>                      |        |                   |                |                     |               |
| <b>Non-current assets</b>          |        |                   |                |                     |               |
| Property, plant and equipment, net | Note 1 | 37,272            | 40,566         | 85                  | 121           |
| Investment properties              |        | 2,450             | 2,505          | –                   | –             |
| Assets held for leasing            |        | 3,693             | 3,915          | –                   | –             |
| Right-of-use of asset              |        | 8,721             | 9,109          | 88                  | 145           |
| Net investment in sub-lease        |        | –                 | –              | 4,660               | 4,621         |
| Investment in subsidiaries         |        | –                 | –              | 28,241              | 28,241        |
| Intangible assets                  |        | 3,246             | 3,363          | –                   | –             |
| Deferred tax assets                |        | 2,365             | 2,254          | –                   | –             |
| Trade receivables                  | Note 2 | 2,215             | 4,265          | 2,215               | 4,265         |
| Other non-current assets           |        | 4,558             | 4,995          | 78                  | 79            |
|                                    |        | <u>64,520</u>     | <u>70,972</u>  | <u>35,367</u>       | <u>37,472</u> |
| <b>Current assets</b>              |        |                   |                |                     |               |
| Inventories                        |        | 37,902            | 37,359         | 380                 | 345           |
| Trade receivables                  | Note 2 | 20,542            | 20,084         | 10,184              | 9,980         |
| Other current assets               | Note 3 | 6,036             | 5,311          | 564                 | 156           |
| Due from subsidiaries (trade)      |        | –                 | –              | 16,092              | 15,379        |
| Fixed deposits                     | Note 4 | 14,495            | 10,736         | –                   | –             |
| Cash and bank balances             | Note 5 | 17,636            | 22,305         | 624                 | 351           |
|                                    |        | <u>96,611</u>     | <u>95,795</u>  | <u>27,844</u>       | <u>26,211</u> |
| <b>TOTAL ASSETS</b>                |        | <u>161,131</u>    | <u>166,767</u> | <u>63,211</u>       | <u>63,683</u> |

**EQUITY AND LIABILITIES**

|   | Group<br>US\$'000 |                | Company<br>US\$'000 |               |
|---|-------------------|----------------|---------------------|---------------|
|   | 30 June 2024      | 31 Dec 2023    | 30 June 2024        | 31 Dec 2023   |
| <b>Current liabilities</b>                                      |                   |                |                     |               |
| Accounts payable and other current liabilities                  | 5,879             | 5,974          | 809                 | 703           |
| Lease liabilities   | 801               | 801            | 21                  | 21            |
| Bank loans  | 24,035            | 23,861         | –                   | –             |
| Income tax payable  | 2,099             | 2,332          | –                   | –             |
|   | <u>32,814</u>     | <u>32,968</u>  | <u>830</u>          | <u>724</u>    |
| <b>NET CURRENT ASSETS</b>                                       | 63,797            | 62,827         | 27,014              | 25,487        |
| <b>Non-current liabilities</b>                                  |                   |                |                     |               |
| Lease liabilities – net of current portion                      | 2,081             | 2,243          | 189                 | 186           |
| Deferred tax liabilities  | 309               | 312            | 11                  | 11            |
| Other non-current liabilities                                   | 885               | 936            | 187                 | 194           |
|   | <u>3,275</u>      | <u>3,491</u>   | <u>387</u>          | <u>391</u>    |
| <b>TOTAL LIABILITIES</b>  | <u>36,089</u>     | <u>36,459</u>  | <u>1,217</u>        | <u>1,115</u>  |
| <b>NET ASSETS</b>   | <u>125,042</u>    | <u>130,308</u> | <u>61,994</u>       | <u>62,568</u> |
| <b>Equity attributable to equity holders<br/>of the Company</b> |                   |                |                     |               |
| Share capital   | 27,471            | 27,471         | 27,471              | 27,471        |
| Share premium   | 4,721             | 4,721          | 4,721               | 4,721         |
| Actuarial gains   | 229               | 211            | 105                 | 105           |
| Foreign currency translation reserve                            | (1,423)           | (850)          | –                   | –             |
| Other reserves  | 394               | 394            | 561                 | 561           |
| Revenue reserves  | 95,739            | 99,618         | 31,497              | 32,071        |
| Less: Treasury shares   | (2,361)           | (2,361)        | (2,361)             | (2,361)       |
|   | <u>124,770</u>    | <u>129,204</u> | <u>61,994</u>       | <u>62,568</u> |
| <b>Non-controlling interests</b>                                | 272               | 1,104          | –                   | –             |
| <b>Total equity</b>   | <u>125,042</u>    | <u>130,308</u> | <u>61,994</u>       | <u>62,568</u> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <u>161,131</u>    | <u>166,767</u> | <u>63,211</u>       | <u>63,683</u> |

Explanatory notes that are material to an understanding of the information:

Note 1 Decrease in Property, plant and equipment is primarily due to depreciation expense and impairment loss recognized on machineries used for the glove factory operations in Cambodia.

Note 2 Decrease in Trade Receivables is primarily due to the collection of receivables from customers and provision for expected credit losses recognized for past due accounts.

Note 3 Increase in Other Current Assets is due to advance payment to suppliers for fixed asset purchases and raw materials.

Note 4 Increase in Fixed deposits is due to additional reserve placements for new short-term borrowings.

Note 5 Decrease in Cash and bank balances is due to net operating loss and working capital usage requirements of the Group during the period.

## CONDENSED INTERIM STATEMENTS OF CASH FLOWS

| Group                                  |  |
|--|--|
| US\$'000                               |  |
| Latest Half Year Ended<br>30 June 2024 | Previous Half Year Ended<br>30 June 2023 |

### OPERATING ACTIVITIES

|   |         |         |
|---|---------|---------|
| Loss before tax                                     | (4,833) | (5,748) |
| Adjustments for:                                    |         |         |
| Depreciation  | 2,187   | 2,086   |
| Amortization of:                                    |         |         |
| Assets held for leasing                             | 937     | 1,006   |
| Right-of-use assets                                 | 502     | 544     |
| Intangible assets                                   | 117     | 10      |
| Provision for:                                      |         |         |
| Expected credit losses                              | 491     | –       |
| Impairment loss on property, plant and equipment    | 1,523   | –       |
| Inventory losses                                    | –       | 440     |
| Write-off of inventories                            | 516     | –       |
| Financial expense                                   | 381     | 368     |
| Other finance costs                                 | 26      | 27      |
| Dividend income                                     | –       | (55)    |
| Financial income                                    | (698)   | (608)   |
| Unrealized foreign exchange gains                   | (1,457) | –       |
| Net changes in pension benefits obligation          | (33)    | 49      |
| Gain on disposal of property, plant and equipment   | –       | (361)   |
| Operating cash flows before working capital changes | (341)   | (2,242) |
| Change in operating assets:                         |         |         |
| Other current assets                                | (723)   | (2,537) |
| Trade receivables                                   | 826     | 1,685   |
| Inventories   | (1,239) | (3,499) |
| Fixed deposits                                      | –       | (1,344) |
| Change in operating liabilities:                    |         |         |
| Accounts payable and other current liabilities      | (213)   | 144     |
| Net cash used in operations                         | (1,690) | (7,793) |
| Income taxes received (paid)                        | (225)   | 6       |
| Other finance costs paid                            | (26)    | (27)    |
| Net cash used in operating activities               | (1,941) | (7,814) |

| Group<br>US\$'000                      |   |
|--|---|
| Latest Half Year Ended<br>30 June 2024 | Previous Half Year<br>Ended<br>30 June 2023 |

### INVESTING ACTIVITIES

|   |       |       |
|---|-------|-------|
| Purchases of property, plant and equipment              | (361) | (647) |
| Proceeds from disposal of property, plant and equipment | –     | 361   |
| Decrease / (Increase) in:                               |       |       |
| Assets held for leasing                                 | (715) | (820) |
| Fixed deposits  | (551) | –     |
| Other non-current assets                                | 437   | 1,154 |
| Dividends received                                      | –     | 55    |
| Interest received                                       | 698   | 608   |
| Net cash generated from (used in) investing activities  | (492) | 711   |

### FINANCING ACTIVITIES

|  |         |         |
|--|---------|---------|
| Proceeds of short-term bank loans – net                | 1,631   | 4,975   |
| Pledge of fixed deposits                               | (3,208) | –       |
| Interest paid  | (381)   | (225)   |
| Payment of lease liabilities                           | (278)   | (589)   |
| Net cash generated from (used in) financing activities | (2,236) | 4,161   |
| Net decrease in cash and bank balances                 | (4,669) | (2,942) |
| Cash and bank balances at beginning of period          | 22,305  | 18,122  |
| Cash and bank balances at end of period                | 17,636  | 15,180  |

## CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

### Group

| US\$'000   |               |                 |                      |                  |                |                |                 |                           |              |          |
|--|---------------|-----------------|----------------------|------------------|----------------|----------------|-----------------|---------------------------|--------------|----------|
| Attributed to equity holders of the Group        |               |                 |                      |                  |                |                |                 | Non-controlling interests | Total equity |          |
| Share capital                                    | Share premium | Actuarial gains | Translation reserves | Revenue reserves | Other Reserves | Total reserves | Treasury shares |                           |              |          |
| <b>Balance at 31 December 2022</b>               | 27,471        | 4,721           | 250                  | (735)            | 120,424        | 19             | 119,708         | (2,361)                   | 2,526        | 152,315  |
| Net loss for the period                          | –             | –               | –                    | –                | (5,358)        | –              | (5,358)         | –                         | (411)        | (5,769)  |
| Other comprehensive income                       | –             | –               | –                    | 179              | –              | 235            | 414             | –                         | –            | 414      |
| Total comprehensive loss for the period          | –             | –               | –                    | 179              | (5,358)        | 235            | (4,944)         | –                         | (411)        | (5,355)  |
| <b>Balance at 30 June 2023</b>                   | 27,471        | 4,721           | 250                  | (556)            | 115,066        | 254            | 114,764         | (2,361)                   | 2,115        | 146,960  |
| Net loss for the period                          | –             | –               | –                    | –                | (15,708)       | –              | (15,708)        | –                         | (1,011)      | (16,719) |
| Other comprehensive income (loss)                | –             | –               | (39)                 | (294)            | 260            | 140            | 106             | –                         | –            | 67       |
| Total comprehensive income (loss) for the period | –             | –               | (39)                 | (294)            | (15,448)       | 140            | (15,602)        | –                         | (1,011)      | (16,652) |
| <b>Balance at 31 December 2023</b>               | 27,471        | 4,721           | 211                  | (850)            | 99,618         | 394            | 99,162          | (2,361)                   | 1,104        | 130,308  |
| Net loss for the period                          | –             | –               | –                    | –                | (3,879)        | –              | (3,879)         | –                         | (832)        | (4,711)  |
| Other comprehensive income (loss)                | –             | –               | 18                   | (573)            | –              | –              | (573)           | –                         | –            | (555)    |
| Total comprehensive income (loss) for the period | –             | –               | 18                   | (573)            | (3,879)        | –              | (4,452)         | –                         | (832)        | (5,266)  |
| <b>Balance at 30 June 2024</b>                   | 27,471        | 4,721           | 229                  | (1,423)          | 95,739         | 394            | 94,710          | (2,361)                   | 272          | 125,042  |



Company

| US\$'000  |               |                 |                  |                |                |                 |              |          |
|---|---------------|-----------------|------------------|----------------|----------------|-----------------|--------------|----------|
| Share capital   | Share premium | Actuarial gains | Revenue reserves | Other reserves | Total reserves | Treasury shares | Total equity |          |
| <b>Balance at 31 December 2022</b>  | 27,471        | 4,721           | 105              | 53,332         | 561            | 53,893          | (2,361)      | 83,829   |
| Net loss for the period, representing total comprehensive loss for the period | –             | –               | –                | (2,965)        | –              | (2,965)         | –            | (2,965)  |
| <b>Balance at 30 June 2023</b>  | 27,471        | 4,721           | 105              | 50,367         | 561            | 50,928          | (2,361)      | 80,864   |
| Net loss for the period, representing total comprehensive loss for the period | –             | –               | –                | (18,296)       | –              | (18,296)        | –            | (18,296) |
| <b>Balance at 31 December 2023</b>  | 27,471        | 4,721           | 105              | 32,071         | 561            | 32,632          | (2,361)      | 62,568   |
| Net loss for the period, representing total comprehensive loss for the period | –             | –               | –                | (574)          | –              | (574)           | –            | (574)    |
| <b>Balance at 30 June 2024</b>  | 27,471        | 4,721           | 105              | 31,497         | 561            | 32,058          | (2,361)      | 61,994   |

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

These notes form an integral part of the condensed interim financial statements.

### 1. CORPORATE INFORMATION

Medtecs International Corporation Limited (the “**Company**”) is a limited liability company, which is domiciled in the Philippines, incorporated in Bermuda and is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Company’s registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at 22/F The World Center Building, #330 Sen. Gil Puyat Avenue Bel-air, Makati City, Philippines.

The principal activities of the Company are manufacturing and selling of medical supplies and equipment and woven and knitted medical textile products and nitrile gloves.

The condensed interim consolidated financial statements have not been audited or reviewed by auditors.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

#### 2.1 Basis of preparation

The condensed interim financial statements of the Company and its subsidiaries (collectively, the “**Group**”) have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). The condensed interim financial statements of the Group for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in United States dollars (US\$) and all values in the tables are rounded to the nearest thousand (\$’000) unless otherwise indicated.

#### 2.2 New and amended standards adopted by the Group

A number of amendments to the SFRS(I) have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

| <i>Description</i>  | <i>Effective for annual periods beginning on or after</i> |
|---|---|
| Lease Liability in a Sale and Leaseback (Amendments to SFRS(I) 16)                          | 1 January 2024  |
| Classification of Liabilities as Current or Non-Current (Amendments to FRS 1)               | 1 January 2024  |
| Non-current Liabilities with Covenants (Amendments to FRS 1)                                | 1 January 2024  |
| Supplier Finance Arrangements (Amendments to FRS 7 and SFRS(I) 7)                           | 1 January 2024  |
| IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information | 1 January 2024  |
| IFRS S2 Climate-related Disclosures   | 1 January 2024  |

### **2.3 Use of judgments and estimates**

In preparing the condensed interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 3. SEGMENT AND REVENUE INFORMATION

#### Business segments

The *manufacturing segment* produces and sub-contracts a wide range of medical consumables, including patients' apparels, disposable surgical masks, boot covers and surgical gowns, underpads, adult diapers, blankets, bed linens and medical bandages. These medical consumables are supplied to large multinational corporate medical distributors, group purchasing organisations, pharmaceutical companies and hospital groups in North America and Europe.

The *hospital services segment* provides laundry and leasing services to various hospitals that are outsourcing its non-critical functions.

The *distribution segment* markets Medtecs-branded medical consumables to hospitals, pharmacies and other end users in Asia Pacific and through online channels. The Group also leverages its distribution network to market other branded medical supplies and equipment such as wheelchairs, syringes, and wireless hand-held ultrasounds.

#### Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

#### (a) Business segments

The following table presents revenue, results and other information, assets, liabilities and other segment information regarding the Group's business segments for the half-years ended 30 June 2024 and 30 June 2023.

#### Half-Year Ended 30 June 2024

|  | Manufacturing<br>US\$'000 | Hospital<br>services<br>US\$'000 | Distribution<br>and others<br>US\$'000 | Group<br>US\$'000 |
|--|---------------------------|----------------------------------|--|-------------------|
| Revenue  | 16,454                    | 7,496                            | 1,577                                  | 25,527            |
| Results  | (6,280)                   | 1,093                            | 63                                     | (5,124)           |
| Financial expenses   |                           |                                  |  | (407)             |
| Financial income   |                           |                                  |  | 698               |
| Income tax benefit   |                           |                                  |  | 122               |
| Net loss for the period  |                           |                                  |  | (4,711)           |
| Total assets   | 142,324                   | 13,339                           | 5,468                                  | 161,131           |
| Total liabilities  | 35,777                    | 309                              | 3                                      | 36,089            |
| <i>Other segment information:</i>                              |                           |                                  |  |                   |
| Capital expenditure  | 361                       | –                                | –                                      | 361               |
| Depreciation and amortization                                  | 2,450                     | 1,238                            | 55                                     | 3,743             |
| Provision for expected credit losses                           | 491                       | –                                | –                                      | 491               |
| Provision for impairment loss on property, plant and equipment | 1,523                     | –                                | –                                      | 1,523             |
| Other non-cash expenses - net                                  | (1,490)                   | –                                | –                                      | (1,490)           |

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)**

**3. SEGMENT AND REVENUE INFORMATION (continued)**

**(a) Business segments (continued)**

**Half-Year Ended 30 June 2023**

|   | Manufacturing<br>US\$'000 | Hospital<br>services<br>US\$'000 | Distribution<br>and others<br>US\$'000 | Group<br>US\$'000 |
|---|---------------------------|----------------------------------|--|-------------------|
| Revenue                                 | 17,536                    | 7,342                            | 1,660                                  | 26,538            |
| Results                                 | (6,458)                   | 523                              | (81)                                   | (6,016)           |
| Financial expenses                      |                           |                                  |  | (395)             |
| Financial income                        |                           |                                  |  | 663               |
| Income tax expense                      |                           |                                  |  | (21)              |
| Net loss for the period                 |                           |                                  |  | (5,769)           |
| Total assets                            | 162,851                   | 15,978                           | 2,901                                  | 181,730           |
| Total liabilities                       | 34,393                    | 270                              | 13                                     | 34,676            |
| <i>Other segment information:</i>       |                           |                                  |  |                   |
| Capital expenditure                     | 535                       | 112                              | –                                      | 647               |
| Depreciation and amortization           | 2,265                     | 1,317                            | 54                                     | 3,636             |
| Provision for inventory<br>obsolescence | 440                       | –                                | –                                      | 440               |
| Other non-cash expenses - net           | (169)                     | –                                | –                                      | (169)             |

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 3. SEGMENT AND REVENUE INFORMATION (continued)

#### (b) Geographical segments

The following table presents revenue, capital expenditure and certain assets information regarding the Group's geographical segments as at and for the half-years ended 30 June 2023 and 30 June 2023.

| <b>Half-Year Ended 30 June 2024</b>                               | North<br>America<br>US\$'000 | Asia<br>Pacific<br>US\$'000 | Europe<br>US\$'000 | Group<br>US\$'000 |
|---|------------------------------|-----------------------------|--------------------|-------------------|
| Revenue   | 3,945                        | 10,400                      | 11,182             | 25,527            |
| Results   | (792)                        | (2,088)                     | (2,244)            | (5,124)           |
| Financial expenses  |                              |                             |                    | (407)             |
| Financial income  |                              |                             |                    | 698               |
| Income tax benefit  |                              |                             |                    | 122               |
| Net loss for the period   |                              |                             |                    | (4,711)           |
| Total assets  | 1,972                        | 154,344                     | 4,815              | 161,131           |
| Total liabilities   | –                            | 36,089                      | –                  | 36,089            |
| <i>Other segment information:</i>                                 |                              |                             |                    |                   |
| Capital expenditures  | –                            | 361                         | –                  | 361               |
| Depreciation and amortization                                     | –                            | 3,743                       | –                  | 3,743             |
| Provision for expected credit losses                              | –                            | 491                         | –                  | 491               |
| Provision for impairment loss on<br>property, plant and equipment | –                            | 1,523                       | –                  | 1,523             |
| Other non-cash expenses - net                                     | –                            | (1,490)                     | –                  | (1,490)           |

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)**

**3. SEGMENT AND REVENUE INFORMATION (continued)**

**(b) Geographical segments (continued)**

| <b>Half-Year Ended 30 June 2023</b>  | North<br>America<br>US\$'000 | Asia<br>Pacific<br>US\$'000 | Europe<br>US\$'000 | Group<br>US\$'000 |
|--------------------------------------|------------------------------|-----------------------------|--------------------|-------------------|
| Revenue                              | 3,225                        | 14,059                      | 9,254              | 26,538            |
| Results                              | (731)                        | (3,187)                     | (2,098)            | (6,016)           |
| Financial expenses                   |                              |                             |                    | (395)             |
| Financial income                     |                              |                             |                    | 663               |
| Income tax expense                   |                              |                             |                    | (21)              |
| Net loss for the period              |                              |                             |                    | (5,769)           |
| Total assets                         | 590                          | 178,620                     | 2,520              | 181,730           |
| Total liabilities                    | –                            | 34,676                      | –                  | 34,676            |
| <i>Other segment information:</i>    |                              |                             |                    |                   |
| Capital expenditures                 | –                            | 647                         | –                  | 647               |
| Depreciation and amortization        | –                            | 3,636                       | –                  | 3,636             |
| Provision for inventory obsolescence | –                            | 440                         | –                  | 440               |
| Other non-cash expenses - net        | –                            | (169)                       | –                  | (169)             |

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)**

**3. SEGMENT AND REVENUE INFORMATION (continued)**

**Disaggregation of revenue**

|  | Manufacturing |               | Hospital Services |              | Distribution and<br>Others |              | Total         |               |
|--|---------------|---------------|-------------------|--------------|----------------------------|--------------|---------------|---------------|
|  | 1H2024        | 1H2023        | 1H2024            | 1H2023       | 1H2024                     | 1H2023       | 1H2024        | 1H2023        |
|  | US\$'000      | US\$'000      | US\$'000          | US\$'000     | US\$'000                   | US\$'000     | US\$'000      | US\$'000      |
| <b>Primary geographical markets</b>            |               |               |                   |              |                            |              |               |               |
| North America                                  | 3,945         | 3,225         | –                 | –            | –                          | –            | 3,945         | 3,225         |
| Asia Pacific                                   | 1,327         | 5,057         | 7,496             | 7,342        | 1,577                      | 1,660        | 10,400        | 14,059        |
| Europe   | 11,182        | 9,254         | –                 | –            | –                          | –            | 11,182        | 9,254         |
|  | <u>16,454</u> | <u>17,536</u> | <u>7,496</u>      | <u>7,342</u> | <u>1,577</u>               | <u>1,660</u> | <u>25,527</u> | <u>26,538</u> |
| <b>Revenue from contracts</b>                  |               |               |                   |              |                            |              |               |               |
| Revenue from manufacturing                     | 16,454        | 17,536        | –                 | –            | –                          | –            | 16,454        | 17,536        |
| Revenue from hospital services                 | –             | –             | 7,496             | 7,342        | –                          | –            | 7,496         | 7,342         |
| Revenue from distribution and others           | –             | –             | –                 | –            | 1,577                      | 1,660        | 1,577         | 1,660         |
|  | <u>16,454</u> | <u>17,536</u> | <u>7,496</u>      | <u>7,342</u> | <u>1,577</u>               | <u>1,660</u> | <u>25,527</u> | <u>26,538</u> |
| <b>Timing of transfer of goods or services</b> |               |               |                   |              |                            |              |               |               |
| At a point in time                             | 16,454        | 17,536        | –                 | –            | 1,273                      | 1,356        | 17,727        | 18,892        |
| Over time                                      | –             | –             | 7,496             | 7,342        | 304                        | 304          | 7,800         | 7,646         |
|  | <u>16,454</u> | <u>17,536</u> | <u>7,496</u>      | <u>7,342</u> | <u>1,577</u>               | <u>1,660</u> | <u>25,527</u> | <u>26,538</u> |



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)**

**4. FINANCIAL INSTRUMENTS**

**As at 30 June 2024**

| <b>Group</b>                                   | Financial assets<br>US\$'000 | Financial liabilities<br>US\$'000 | Total<br>US\$'000 |
|--|------------------------------|-----------------------------------|-------------------|
| <b>Financial assets:</b>                       |                              |                                   |                   |
| Cash and bank balances and fixed deposits      | 32,131                       | –                                 | 32,131            |
| Trade receivables                              | 22,757                       | –                                 | 22,757            |
| Other current assets*                          | 2,518                        | –                                 | 2,518             |
|  | <u>57,406</u>                | <u>–</u>                          | <u>57,406</u>     |
| <b>Financial liabilities:</b>                  |                              |                                   |                   |
| Bank loans                                     | –                            | (24,035)                          | (24,035)          |
| Trade payables and other current liabilities** | –                            | (5,824)                           | (5,824)           |
| Lease liabilities                              | –                            | (2,882)                           | (2,882)           |
|  | <u>–</u>                     | <u>(32,741)</u>                   | <u>(32,741)</u>   |
|  | <u>57,406</u>                | <u>(32,741)</u>                   | <u>24,665</u>     |

*\*excluding non-financial assets*

*\*\*excluding non-financial liabilities*

**As at 30 June 2024**

| <b>Company</b>                                 | Financial assets<br>US\$'000 | Financial liabilities<br>US\$'000 | Total<br>US\$'000 |
|--|------------------------------|-----------------------------------|-------------------|
| <b>Financial assets:</b>                       |                              |                                   |                   |
| Cash and bank balances and fixed deposits      | 624                          | –                                 | 624               |
| Trade receivables                              | 12,399                       | –                                 | 12,399            |
| Other current assets*                          | 103                          | –                                 | 103               |
| Due from subsidiaries (trade)                  | 16,092                       | –                                 | 16,092            |
| Net investment on sub-lease                    | 4,660                        | –                                 | 4,660             |
|  | <u>33,878</u>                | <u>–</u>                          | <u>33,878</u>     |
| <b>Financial liabilities:</b>                  |                              |                                   |                   |
| Trade payables and other current liabilities** | –                            | (799)                             | (799)             |
| Lease liabilities                              | –                            | (210)                             | (210)             |
|  | <u>–</u>                     | <u>(1,009)</u>                    | <u>(1,009)</u>    |
|  | <u>33,878</u>                | <u>(1,009)</u>                    | <u>32,869</u>     |

*\*excluding non-financial assets*

*\*\*excluding non-financial liabilities*

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)**

**4. FINANCIAL INSTRUMENTS (continued)**

**As at 31 December 2023**

| <b>Group</b>                                   | <b>Financial assets</b><br>US\$'000 | <b>Financial liabilities</b><br>US\$'000 | <b>Total</b><br>US\$'000 |
|--|-------------------------------------|--|--------------------------|
| <b>Financial assets:</b>                       |                                     |  |                          |
| Cash and bank balances and fixed deposits      | 33,041                              | –  | 33,041                   |
| Trade receivables                              | 24,349                              | –  | 24,349                   |
| Other current assets*                          | 2,677                               | –  | 2,677                    |
|  | <u>60,067</u>                       | <u>–</u>                                 | <u>60,067</u>            |
| <b>Financial liabilities:</b>                  |                                     |  |                          |
| Bank loans                                     | –                                   | (23,861)                                 | (23,861)                 |
| Trade payables and other current liabilities** | –                                   | (5,922)                                  | (5,922)                  |
| Lease liabilities                              | –                                   | (3,044)                                  | (3,044)                  |
|  | <u>–</u>                            | <u>(32,827)</u>                          | <u>(32,827)</u>          |
|  | <u>60,067</u>                       | <u>(32,827)</u>                          | <u>27,240</u>            |

\*excluding non-financial assets

\*\*excluding non-financial liabilities

**As at 31 December 2023**

| <b>Company</b>                                 | <b>Financial assets</b><br>US\$'000 | <b>Financial liabilities</b><br>US\$'000 | <b>Total</b><br>US\$'000 |
|--|-------------------------------------|--|--------------------------|
| <b>Financial assets:</b>                       |                                     |  |                          |
| Cash and bank balances and fixed deposits      | 351                                 | –  | 351                      |
| Trade receivables                              | 14,245                              | –  | 14,245                   |
| Other current assets*                          | 84                                  | –  | 84                       |
| Due from subsidiaries (trade)                  | 15,379                              | –  | 15,379                   |
| Net investment on sub-lease                    | 4,621                               | –  | 4,621                    |
|  | <u>34,680</u>                       | <u>–</u>                                 | <u>34,680</u>            |
| <b>Financial liabilities:</b>                  |                                     |  |                          |
| Trade payables and other current liabilities** | –                                   | (692)                                    | (692)                    |
| Lease liabilities                              | –                                   | (207)                                    | (207)                    |
|  | <u>–</u>                            | <u>(899)</u>                             | <u>(899)</u>             |
|  | <u>34,680</u>                       | <u>(899)</u>                             | <u>33,781</u>            |

\*excluding non-financial assets

\*\*excluding non-financial liabilities

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 5. TAXATION

The major components of income tax expense (benefit) for the half-years ended 30 June 2024 and 30 June 2023 are:

|   | Group              |                    | Company            |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 1H2024<br>US\$'000 | 1H2023<br>US\$'000 | 1H2024<br>US\$'000 | 1H2023<br>US\$'000 |
| Current   | (8)                | 62                 | –                  | –                  |
| Deferred income tax:                              |                    |                    |                    |                    |
| Origination and reversal of temporary differences | (114)              | (41)               | –                  | –                  |
| Income tax expense (benefit)                      |                    |                    |                    |                    |
| Recognised in the profit and loss accounts        | (122)              | 21                 | –                  | –                  |

### 6. DIVIDENDS

No dividends were declared in 1H2024 and FY2023.

### 7. INVESTMENT PROPERTIES

|                                    | Group            |                  |
|------------------------------------|------------------|------------------|
|                                    | 2024<br>US\$'000 | 2023<br>US\$'000 |
| <b>Cost:</b>                       |                  |                  |
| As at 1 January                    | 5,465            | 5,465            |
| <b>Accumulated depreciation:</b>   |                  |                  |
| As at 1 January                    | 2,959            | 2,848            |
| Depreciation charge for the period | 56               | 54               |
| As at 30 June                      | 3,015            | 2,902            |
| Net carrying amount as at 30 June  | 2,450            | 2,563            |

The Group's investment properties includes buildings and building improvements that are mainly held to earn rentals and capital appreciation. The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 7. INVESTMENT PROPERTIES (continued)

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. A valuation of the fair value of the investment properties was performed by an independent appraiser. Aggregate fair value of the investment properties was determined using the income approach. Income approach is a method in which the appraiser derives an indication of value for income producing property by converting anticipated future benefits into current property value. The discount rate of 11.1% used under the income approach for valuing anticipated future benefits into current property value is computed under the “Built-Up” method. As at 31 December 2023, fair market value of the investment properties, which is based on its highest and best use, amounted to US\$3.8 million. The fair value is categorised under Level 3 (valuation techniques for which the lowest level input that is significant to the fair value measurement is not based on observable data) fair value hierarchy.

### 8. LOANS AND BORROWINGS

Amount repayable in one year or less, or on demand

| As at 30 June 2024 |           | As at 31 December 2023 |           |
|--------------------|-----------|------------------------|-----------|
| US\$'000           |           | US\$'000               |           |
| Secured            | Unsecured | Secured                | Unsecured |
| 21,265             | 2,770     | 20,911                 | 2,950     |

#### Details of any collateral

Secured short-term bank loans of approximately US\$21.1 million and US\$20.9 million as of 30 June 2024 and 31 December 2023, respectively, are secured by property, plant and equipment and guarantee deposit, with net book values of approximately US\$12.0 million and US\$10.3 million as of 30 June 2024 and 31 December 2023, respectively.

### 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired property, plant and equipment amounting to US\$0.4 million (30 June 2023: US\$0.6 million).

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 10. SHARE CAPITAL

#### 10.1 Share Capital

|   | <u>Group and Company</u> |
|---|--------------------------|
|   | US\$'000                 |
| <b>Authorised</b>                                       |                          |
| As at 1 January 2023, 31 December 2023 and 30 June 2024 | 50,000                   |
| - 1,000,000,000 ordinary shares of US\$0.05 each        |                          |
| <b>Issued and paid up</b>                               |                          |
| As at 1 January 2023, 31 December 2023 and 30 June 2024 | 27,246                   |
| - 544,911,240 ordinary shares of US\$0.05 each          |                          |

The Company has only one class of shares: ordinary shares of US\$0.05 each, with each share carrying one vote, without restriction. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and subsequently approved by the shareholders.

#### 10.2 Treasury Shares

|   | <u>Group and Company</u> |
|---|--------------------------|
|   | US\$'000                 |
| As at 1 January 2023, 31 December 2023 and 30 June 2024 | 2,361                    |
| - 4,500,000 treasury shares                             |                          |

There were no changes in the share capital of the Company in the half-year ended 30 June 2024.

The total number of issued Shares (excluding treasury shares) as at 30 June 2024 and 31 December 2023 was 544,911,240. The total number of treasury shares as at 30 June 2024 and 31 December 2023 was 4,500,000, which represented approximately 0.83% of the total number of issued Shares (excluding treasury shares) of 544,911,240 as at 30 June 2024 and 31 December 2023.

The Company had no convertibles or subsidiary holdings as at 30 June 2024 and 30 June 2023.

### 11. SUBSEQUENT EVENTS

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

**OTHER INFORMATION REQUIRED UNDER APPENDIX 7C OF THE SGX-ST LISTING MANUAL SECTION B: RULES OF CATALIST**

**1. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statement have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at and for the financial year ended 31 December 2023.

**2. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not Applicable.

**3. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: (a) based on the weighted average number of ordinary shares on issue and (b) on a fully diluted basis (detailing any adjustments made to the earnings).**

| Group                            |                                  |
|----------------------------------|----------------------------------|
| First Half Ended<br>30 June 2024 | First Half Ended<br>30 June 2023 |

Loss per ordinary share for the period  
after deducting any provision for preference dividends:

|  |                  |                  |
|--|------------------|------------------|
| (i) Based on weighted average number of ordinary shares in issue during the period | (0.712 US cents) | (0.983 US cents) |
| (ii) On a fully diluted basis  | (0.712 US cents) | (0.983 US cents) |

Explanatory note to 3 (i) and (ii)

Loss per share for the six-month periods ended 30 June 2024 and 30 June 2023 are calculated based on the weighted average number of issued ordinary shares, excluding treasury shares, during the six-month periods ended 30 June 2024 and 30 June 2023 of 544,911,240.

**4. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on and (b) immediately preceding financial year.**

| Group                 |                           |
|-----------------------|---------------------------|
| As at<br>30 June 2024 | As at<br>31 December 2023 |

|   |                |                |
|---|----------------|----------------|
| Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the period reported on | 22.90 US cents | 23.71 US cents |
|---|----------------|----------------|

| Company               |                           |
|-----------------------|---------------------------|
| As at<br>30 June 2024 | As at<br>31 December 2023 |

Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the period reported on

11.38 US cents

11.48 US cents

Explanatory note to 4

The net asset value per ordinary share is calculated based on 544,911,240 issued shares, excluding treasury shares, as at 30 June 2024 and 31 December 2023.

5. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Business Overview**

The Group's revenue slightly decreased by 3.8% from US\$26.5 million in 1H2023 to US\$25.5 million in 1H2024 due to lower government stockpiling projects in the Philippines and lower e-commerce sales. Despite that, the Group has continued to leverage on the growth of orders from its existing OEM customers, maintaining its revenue position in both half-year periods with sales from regular OEM customers increasing 35.4% from US\$9.9 million in 1H2023 to US\$13.4 million in 1H2024.

### **Revenue**

Revenue from the Manufacturing division decreased by 6.2% from US\$17.5 million in 1H2023 to US\$16.5 million in 1H2024 due to lower government stockpiling projects and lower e-commerce sales.

Revenue from the Hospital Services division increased slightly by 2.1% from US\$7.3 million in 1H2023 to US\$7.5 million in 1H2024 due to higher linen consumption in Taiwan from a new hospital contract.

Revenue from the Trading and Distribution division decreased by 5.0% from US\$1.7 million in 1H2023 to US\$1.6 million in 1H2024 arising from lower demand for our healthcare products in Taiwan.

### **Profitability**

The Group's gross profit decreased by 26.0% from US\$4.3 million in 1H2023 to US\$3.2 million in 1H2024 on decline in high-margin sales and additional inventory write-offs.

Gross profit from the Manufacturing division decreased by 45.8% from US\$3.0 million in 1H2023 to US\$1.6 million in 1H2024 due to decline in high-margin e-commerce sales and write-off of supplies and inventory amounting to US\$516,000 during the period.

Gross profit from the Hospital Services division increased by 28.5% from US\$1.0 million in 1H2023 to US\$1.3 million in 1H2024 due to an increase in revenue and lower linen costs.

Gross profit from the Trading and Distribution division decreased by 14.2% from US\$249,000 in 1H2023 to US\$214,000 in 1H2024 due to decline in selling prices of some product offerings in the Taiwan domestic market.

Other operating income increased by 7.4% from US\$964,000 in 1H2023 to US\$1.0 million in 1H2024 primarily due to foreign exchange gains arising from proper management of non-USD denominated foreign currencies during the period.

Distribution and selling expenses decreased by 35.3% from US\$4.1 million in 1H2023 to US\$2.7 million in 1H2024 due to lower freight and handling costs following a decline in e-commerce sales. General and administrative expenses decreased by 6.7% from US\$7.1 million in 1H2023 to US\$6.6 million in 1H 2024 due to lower salary expenses and cost-cutting measures.

Financial income increased by 5.4% from US\$663,000 in 1H2023 to US\$698,000 in 1H2024 due to higher interest income earned from new fixed deposit placements made.

Income tax expenses decreased by 681.0% from an income tax expense of US\$21,000 in 1H2023 to an income tax benefit of US\$122,000 in 1H2024 due to the lower net operating profits earned by some subsidiaries.

Overall, the Group's net loss after tax decreased from US\$5.8 million in 1H2023 to US\$4.7 million in 1H2024 due to lower operating expenses from cost-cutting measures made by the Group.



## Cash Flow and Balance Sheet

The Group's total assets decreased from US\$166.8 million as at 31 December 2023 to US\$161.1 million as at 30 June 2024 due to net cash used from operations and decrease in trade receivables from provision for bad debts and provision for impairment loss on property, plant and equipment. Property, plant and equipment decreased to US\$37.3 million as at 30 June 2024 from US\$40.6 million as at 31 December 2023 due to depreciation expenses and provision for impairment loss on machinery used at the Cambodian glove factory.

The Group's cash outflow from operating activities decreased to US\$1.9 million in 1H2024 from US\$7.8 million in 1H2023 due to lower net operating loss and fewer working capital requirements during the period. Cash outflow from investing activities amounted to US\$492,000 in 1H2024 from US\$711,000 cash generated in 1H2023, due to additional regular fixed deposit placements. Cash outflow from financing activities amounted to US\$2.2 million in 1H2024 from the cash generated in 1H2023:US\$4.2 million due to new pledged fixed deposits from new loan availments, as well as payment of interest and lease.

### **6. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast or prospect statement has been disclosed to shareholders previously.

### **7. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As we approach the second half of 2024 and beyond, Medtecs is well-positioned to capitalise on emerging opportunities while reinforcing our core competencies, and intend to focus strategically on several key areas, such as the OEM business enhancement, market diversification and expansion, and technological advancement. The Board of Directors remains engaged in overseeing these strategic initiatives to ensure alignment with our commitment to enhancing shareholder value.

## Strategic Initiatives and Board Oversight

As disclosed in the annual report for the financial year ended 31 December 2023 ("FY2023"), our Chairman had during this same period initiated the 4A Project, through which the Group intends to use artificial intelligence ("AI"), application programming interface ("API"), analytics and automation to enhance our operational efficiency and effectiveness. The CEO provides regular progress updates on the implementation of the 4A Project during monthly executive management meetings so that the leadership team comprising the Chairman, CEO, CFO, General Counsel, heads of business units, as well as head of the Group's IT team can closely monitor advancements, address challenges promptly, and ensure the implementation of the 4A Project remains aligned with our overall business strategy. We aim to leverage no-code AI tools to enhance decision-making accuracy, implement API integration to streamline processes, use analytics to extract actionable insights from our data, and expand automation efforts to reduce manual labour and minimise errors. These 4A measures are projected to contribute to cost reduction, efficiency improvement, and revenue expansion through data-driven insights.

As disclosed in our FY2023 annual report and previous financial results, we are exploring opportunities in renewable energy markets, such as solar power and energy storage services, as a potential new growth driver as part of our commitment to sustainability and green manufacturing. This Board-proposed initiative has already yielded tangible progress with the commencement of a solar panel installation project on the rooftop of our glove factory in Cambodia. We will continue to pursue this initiative and seek strategic partnerships with industry players. As and when there are developments, more information on future plans will be provided to, and requisite approvals will be obtained from, shareholders at the appropriate juncture.

## Composition and Governance

As announced on 30 April 2024, we are pleased to update shareholders on the recent addition of two independent non-executive directors to our Board, namely Ms. Zhao Yuhong, who is based on Hong Kong, and Ms. Jessie Low Mui Choo, who is based in Singapore. With their background and experience, they bring fresh perspectives and innovative ideas to our strategic discussions to further enhance our corporate governance and decision-making process.

## **Risk Management**

In response to market volatility and uncertainties, we have implemented a comprehensive risk management strategy. This includes strengthening our overall quality management processes through obtaining key international quality certifications, enhancing the quality control team's competencies through external ISO training and on-the-job training in laboratory operations and colour matching as well as diversifying our production locations, procurement sources, export destinations, and capital sources. In this regard, our overseas factories have successfully passed CE, SMETA, ISO-9001/13485/14001/14064 audits and obtained WCA and WRAP recertifications, which demonstrates our adherence to such international quality standards. We will continue to implement the enhancements to each of these processes through the latter half of 2024.

## **Commitment to Enhancing Shareholder Value**

Each of our strategic initiatives currently being considered, from the 4A Project to our plans to explore renewable energy opportunities, is designed with the ultimate goal of enhancing shareholder value. We believe that by improving operational efficiency, exploring new growth avenues, and maintaining a strong focus on quality and innovation, we are well-positioned to deliver both short-term results and long-term value to our shareholders.

### **8. If a decision regarding dividend has been made:**

*(a) Whether an interim (final) ordinary dividend has been declared (recommended).*

No.

*(b)*

*(i) Amount per share*

Not applicable.

*(ii) Previous corresponding period*

Not applicable.

*(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)*

Not Applicable

*(d) The date the dividend is payable*

Not Applicable

*(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.*

Not Applicable

### **9. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared to focus our resources on working capital requirements and upcoming expansion projects.

### **10. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a shareholders' mandate for interested person transactions.

**11. Negative confirmation pursuant to Rule 705(5).**

The board of directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited interim financial results of the Group for the half year ended 30 June 2024 to be false or misleading in any material respect.

**12. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers (in the format as set out in Appendix 7H) in accordance with Rule 720(1) of the Catalist Rules.

**ON BEHALF OF THE BOARD**

Clement Yang Ker-Cheng  
Chairman  
Date: 8 August 2024

**MEDTECS INTERNATIONAL CORPORATION LIMITED**  
(Incorporated in Bermuda)

**CONFIRMATION BY THE BOARD OF DIRECTORS  
PURSUANT TO RULE 705(5) OF THE  
LISTING MANUAL SECTION B: RULES OF CATALIST**

We, Clement Yang Ker-Cheng and William Yang Weiyuan, being two of the Directors of Medtecs International Corporation Limited (the “Company”), do hereby confirm on behalf of the Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Company and of the Group for the half year ended 30 June 2024 to be false or misleading in any material aspect.

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

\_\_\_\_\_  
Name: Clement Yang Ker-Cheng  
Director

\_\_\_\_\_  
Name: William Yang Weiyuan  
Director

Date: 8 August 2024