

MEDTECS INTERNATIONAL CORPORATION LIMITED

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Full Year Financial Statements

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1. (a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of immediately preceding financial year.

Full Year Results	Group		
	US\$'000		%
	Latest Year 31 Dec 2019 Unaudited	Previous Year 31 Dec 2018 Audited	Increase / (Decrease)
Revenues	68,977	68,304	1.0
Costs of sales and services	(58,446)	(58,020)	0.7
Gross profit	10,531	10,284	2.4
Other items as income			
Other operating income, net	759	449	69.0
Financial income	209	111	88.3
Other items as expense			
Distribution and selling expenses	(2,600)	(2,683)	(3.1)
Administrative expenses	(4,896)	(4,977)	(1.6)
Financial expenses	(2,486)	(1,998)	24.4
Profit before tax	1,517	1,186	27.9
Income tax expense	(351)	(272)	29.0
Net profit for the year	1,166	914	27.6
Attributable to:			
Shareholders of the Company	1,166	914	27.6
Non-controlling interests	(4)	–	100.0
	1,162	914	27.1

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

	US\$'000	
	Latest Year 2019 Unaudited	Previous Year 2018 Audited
Depreciation	2,468	2,265
Amortisation of:		
Assets held for leasing	3,119	2,525
Investment of property	165	164
Other finance costs	482	201
Interest expense	2,004	1,797
Movement of pension benefit obligation	100	82
Interest income	(209)	(111)

Statement of Comprehensive Income for the year ended 31 December 2019

	Group		
	US\$'000		%
	Latest Year 2019 Unaudited	Previous Year 2018 Audited	Increase/ (Decrease)
Profit after tax	1,166	914	27.6
Exchange difference on consolidation	319	(665)	(148.0)
Actuarial gains	(243)	176	(238.1)
Total comprehensive income	1,242	425	192.2
Attributable to:			
Shareholders of the Company	1,238	415	198.3
Non-controlling interests	4	10	(60.0)
	1,242	425	192.2

1.(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Full Year Balance Sheet as at 31 December

		Group		Company	
		US\$'000		US\$'000	
		2019	2018	2019	2018
		Unaudited	Audited	Unaudited	Audited
ASSETS					
Non-current assets					
Property, plant and equipment, net		19,170	21,600	43	44
Assets held for leasing		6,087	6,317	–	–
Right of use of asset	Note 1	5,441	–	115	–
Investment property		2,950	3,061	–	–
Investment in subsidiaries		–	–	24,883	24,883
Goodwill		709	709	–	–
Deferred tax assets		14	13	14	13
Other non-current assets		6,941	6,744	3,796	3,800
		41,312	38,444	28,851	28,740
Current assets					
Inventories	Note 2	37,844	33,850	79	77
Trade receivables		13,344	14,727	5,749	7,035
Other current assets		16,103	17,088	12,349	15,478
Due from subsidiaries (trade)		–	–	–	34,676
Fixed deposits		4,930	4,260	–	250
Cash and bank balances		3,070	4,521	46	46
		75,291	74,446	18,223	57,562
TOTAL ASSETS		116,603	112,890	47,074	86,302

EQUITY AND LIABILITIES

	Group US\$'000		Company US\$'000	
	2019 Unaudited	2018 Audited	2019 Unaudited	2018 Audited
Current liabilities				
Trade payables and other current liabilities	3,836	6,801	334	730
Due to subsidiaries (trade)	–	–	18,045	56,588
Term loans (current portion)	387	2,185	–	1,250
Trust receipts and acceptances payable	–	–	–	–
Bank loans	Note 3	36,279	32,716	–
Income tax payable	900	1,097	1	2
	41,402	42,799	18,380	58,570
NET CURRENT ASSETS (LIABILITIES)	33,889	31,647	(157)	(1,008)
Non-current liabilities				
Term loans	5,870	5,913	3,750	3,750
Lease liability	Note 1	3,563	–	258
Deferred tax liabilities	207	202	–	–
Other non-current liabilities	971	628	225	133
	10,611	6,743	4,233	3,883
TOTAL LIABILITIES	52,013	49,542	22,613	62,453
Equity attributable to equity holder of the Company				
Share capital	27,471	27,471	27,471	27,471
Share premium	4,721	4,721	4,721	4,721
Equity component of convertible bonds	267	267	267	267
Employee share option reserve	294	294	294	294
Actuarial on retirement obligation	6	249	24	94
Translation reserves	231	(88)	–	–
Other reserves	(167)	(167)	–	–
Revenue reserves	30,747	29,585	(8,316)	(8,998)
	63,570	62,332	24,461	23,849
Non-controlling interests	1,020	1,016	–	–
	64,590	63,348	24,461	23,849
TOTAL EQUITY AND LIABILITIES	116,603	112,890	47,074	86,302

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

Note 1 Increase in right of use asset and lease liability was due to FRS16 with the set up of the related assets and liabilities for lease contracts

Note 2 Increase is due to buildup of inventories for upcoming customer orders

Note 3 Increase is due to additional bank loans for working capital requirements

1.(b)(ii) In relation to the aggregate amount of the group’s borrowings and the debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

As at 31 December 2019 US\$ '000 Unaudited		As at 31 December 2018 US\$ '000 Audited	
Secured	Unsecured	Secured	Unsecured
–	36,896	4,506	29,145

Amount repayable after one year

As at 31 December 2019 US\$ '000 Unaudited		As at 31 December 2018 US\$ '000 Audited	
Secured	Unsecured	Secured	Unsecured
1,890	3,750	5,338	1,826

Increase in unsecured loan is due to new availment of loans from Medtecs Taiwan.

1.(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Full Year Statement of Cash Flows

Group US\$'000	
Latest Year 2019 Unaudited	Previous Year 2018 Audited

OPERATING ACTIVITIES

Profit before taxation	1,517	1,186
Adjustments for:		
Depreciation and amortisation	2,468	2,429
Amortisation of assets held for leasing	3,284	2,525
Interest expense	2,004	1,797
Provision for inventory obsolescence	246	450
Provision for doubtful accounts	–	150
Other finance costs	482	201
Loss(gain) on disposal of assets held for leasing	(8)	23
Interest income	(209)	(111)
Operating profit before working capital changes	9,784	8,650
(Increase) decrease in:		
Inventories	(4,162)	(153)
Trade receivables	1,552	25
Other current assets	609	(114)
Increase (decrease) in:		
Trade payables and other current liabilities	(2,537)	(1,454)
Pension benefits obligation	100	82
Trust receipts and acceptances payable	–	(597)
Net cash generated from operations	5,346	6,439
Interest received	209	111
Other finance costs paid	(482)	(201)
Income taxes paid	(544)	(672)
Net cash flow generated from operating activities	4,529	5,677

1.(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (continuation)

	Group US\$'000	
	Latest Year 2019	Previous Year 2018 Audited
INVESTING ACTIVITIES		
Disposal of property, plant and equipment	485	(478)
Purchase of asset held for leasing	(3,115)	(3,694)
Disposal of investment property	111	–
Decrease (increase) in other non-current assets	(2,509)	(687)
Net cash used in investing activities	(5,028)	(4,859)
FINANCING ACTIVITIES		
Proceeds from term loans - net	3,563	5,425
Proceeds from (payments of) short-term bank loans	(1,841)	(93)
Increase/ (decrease) in fixed deposit	(670)	(1,606)
Interest paid	(2,004)	(1,797)
Increase in other non-current liability	–	44
Net cash flows generated by (used in) financing activities	(952)	1,973
Net increase in cash and bank balances	(1,451)	2,790
Cash and bank balances at beginning of year	4,521	1,731
Cash and bank balances at end of year	3,070	4,521

1.(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

	Attributable to equity holders of the Company								Non-controlling interests	Total Equity	
	Share capital	Share premium	Employee share option reserve	Equity component of convertible Bonds	Translation reserves	Revenue reserves	Other reserves	Total reserves			Actuarial Gain (Loss) on Retirement Obligation
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Balance at 1 January 2018	27,471	4,721	294	267	587	28,671	(167)	29,091	73	1,006	62,923
Net profit for the year	–	–	–	–	–	914	–	914	–	–	914
<u>Other Comprehensive Income for the year</u>											
Foreign currency translation reserves	–	–	–	–	(675)	–	–	(675)	–	10	(665)
Actuarial gains	–	–	–	–	–	–	–	–	176	–	176
Other comprehensive income for the year	–	–	–	–	(675)	–	–	(675)	176	10	(489)
Total Comprehensive Income/(loss) for the year	–	–	–	–	(675)	914	–	239	176	10	425
Balance at 31 December 2018	27,471	4,721	294	267	(88)	29,585	(167)	29,330	249	1,016	63,348

Group (continued)

	Attributable to equity holders of the Company								Non-controlling interests	Total Equity	
	Share capital	Share premium	Employee share option reserve	Equity component of convertible Bonds	Translation reserves	Revenue reserves	Other reserves	Total reserves			Actuarial Gain (Loss) on Retirement Obligation
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000			US\$'000
Balance at 31 December 2018 and 1 January 2019	27,471	4,721	294	267	(88)	29,585	(167)	29,330	249	1,016	63,348
Net profit for the year	–	–	–	–	–	1,162	–	1,162	–	4	1,166
<u>Other Comprehensive Income for the year</u>											
Foreign currency translation reserves	–	–	–	–	319	–	–	319	–	–	319
Actuarial gains	–	–	–	–	–	–	–	–	(243)	–	(243)
Other comprehensive income for the year	–	–	–	–	319	–	–	319	(243)	–	76
Total Comprehensive Income/(loss) for the year	–	–	–	–	319	1,162	–	1,481	(243)	4	1,242
Balance at 31 December 2019	27,471	4,721	294	267	231	30,747	(167)	30,811	6	1,020	64,590

Company

	Attributable to equity holders of the Company						
	Share capital	Share premium	Employee share option reserve	Equity component of convertible bonds	Deficit	Actuarial Gain (Loss) on Retirement	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2018	27,471	4,721	294	267	(8,730)	31	24,054
Net loss for the year	–	–	–	–	(268)	–	(268)
Other Comprehensive Income for the year	–	–	–	–	–	63	63
Total Other Comprehensive Income for the year	–	–	–	–	–	63	63
Balance at 31 December 2018 and 1 January 2019	27,471	4,721	294	267	(8,998)	94	23,849
Net Income for the year	–	–	–	–	682	–	682
Other Comprehensive Income for the year	–	–	–	–	–	(70)	(70)
Total Other Comprehensive Income for the year	–	–	–	–	–	(70)	(70)
Balance at 31 December 2019	27,471	4,721	294	267	(8,316)	24	24,461

1.(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on the conversion of all the outstanding convertibles, if any, against the total number issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year.

None.

1.(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares as at 31 December 2019 and 31 December 2018 was 549,411,240. There were no treasury shares as at the end of the current financial period reported on and as at the end of the immediately preceding year.

1.(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

1.(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable – the Group's financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. See note (a) above.

4. 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 2018, except as disclosed in paragraph 5 below.

5. 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.

In the current financial year, the Group has adopted all the new and revised Singapore Financial Reporting Standards (“SFRS(I)”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2019. The adoption of this new/revised SFRS(I) does not result in changes to the Group’s accounting policies and have no material effect on the financial statements for the current period except for the following:

SFRS(I) 16 Leases

The Group has adopted SFRS(I) 16 effective from 1 January 2019. The Group has elected to apply the simplified transition approach without restating prior periods’ information. On adoption, the Group recognized lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of SFRS(I) 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. On adoption, the Group recognized right-of-use assets of \$5.4 million and lease liabilities of \$3.6 million.

6. 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.

Group Figures	
Latest Year FY19 Unaudited	Previous Year FY18 Audited

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

(i) Based on weighted average number of ordinary shares on issue	0.211 US cents	0.166 US cents
(ii) On a fully diluted basis	0.211 US cents	0.166 US cents

Explanatory note to 6 (i) and (ii):

Earnings per share for the financial year ended 31 December 2019 and 31 December 2018 are calculated based on the existing issued shares of 549,411,240. The full year earnings per share on a fully diluted basis are calculated on the weighted average number of shares of 549,411,240. There were no adjustments since the effects of share options are anti-dilutive.

7. 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 Figures	
Latest Year As at 31 Dec 2019 Unaudited	Previous Year As at 31 Dec 2018 Audited

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

11.76 US cents 11.53 US cents

Company Figures	
Latest Year As at 31 Dec 2019 Unaudited	Previous Year As at 31 Dec 2018 Audited

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

4.45 US cents 4.34 US cents

Explanatory note to 7:

The net asset value per ordinary share is calculated based on 549,411,240 issued shares for the financial year ended 31 December 2019 and 31 December 2018.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected cash flow, working capital, assets or liabilities of the group during the current financial year reported on.**

Business Overview

The Group had more stable demand from its existing customers in FY19 leading to an increase in Group's revenue by 1.0% to US\$68.9 million in FY19 from US\$68.3 million in FY18. The Group's net profit increased to US\$1.2 million in FY19 from US\$914,000 in FY18 coming from higher revenues and improved efficiency.

Revenues

Revenues from the Original Product Manufacturing ("OPM") division increased by 1.3% to US\$52.9 million in FY19 from US\$52.2 million in FY18 due to higher orders from our existing customers.

Revenues from Hospital Services division improved by 2.2% to US\$14.2 million in FY19 from US\$14.0 million in FY18 attributable to higher linen consumptions in Taiwan and additional hospital contracts in Philippines. Revenues from Trading, Distribution and others decreased by 15.4% to US\$1.8 million in FY19 from US\$2.1 million in FY18 focusing on higher-margined sales.

Profitability

The Group's gross profit increased by 2.4% to US\$10.5 million in FY19 from US\$10.3 million in FY18 arising from higher revenues. The Group's gross profit margins increased from improved efficiency to 15.3% in FY19 from 15.1% in FY18.

Gross Profit from the OPM division increased by 5.6% to US\$9.4 million in FY19 from US\$8.9 million in FY18 attributable to higher revenues. OPM Gross profits margins inclined slightly by 0.7% to 17.7% in FY2019 from 17.0% in FY18 from improved efficiency.

Hospital Services division gross profit decreased by 34.2% to US\$0.6 million in FY19 from US\$1.0 million in FY18 from additional rental income during the year.

Gross Profit from Trading, Distribution and other division increased by 26.9% to US\$486,000 in FY19 from US\$383,000 in FY18 due to higher-margined sales.

Other operating income net increased by 69.0% to US\$759,000 in FY19 from US\$449,000 in FY18 from foreign exchange gains.

Financial income increased by 88.3% to US\$209,000 in FY19 from US\$111,000 in FY18 due to additional interest income.

The Group's net profit increased by 27.5% to US\$1.2 million in FY19 from US\$914,000 in FY18 from higher revenues and improved efficiency.

Cash Flows and Balance Sheet

Total assets of the Group increased by US\$3.7 million to US\$116.6 million in FY19 from US\$112.9 million in FY18 mainly from impact of FRS16 and recognition of right of use assets. The Group's borrowings increased to US\$42.5 million in FY19 from US\$40.8 million in FY18 from new bank loans.

The Group generated an operating cash flow of US\$4.5 million in FY19 from the positive operating cash flow of US\$5.7 million in FY18. On its investing activities, US\$3.1 million was used for the linen replacement on existing hospital contracts as well as additional linens for the new hospitals services contract. Cash inflow of US\$3.6 million from financing activities due to availments of new short-term loans in Taiwan was offset by cash outflow of US\$3.6 million payment of long term loans and interests.

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

It was stated in the full year financial statement announcement dated 27 February 2019 and in the Company's annual report for the financial year 31 December 2018 that "Barring unforeseen circumstances, the Group expects to remain profitable this financial year". The Group results for the financial year ended 31 December 2019 are consistent with the prospects statements made.

10. 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.

Business Outlook

The recent global Novel Corona virus epidemic has increased awareness and demand on the Group's healthcare related products. The Group remains in the forefront of safety and disease control prevention and management with its personal protective apparels.

At the same time, the Group continues to grow its market in US, Europe and Asia Pacific regions. The local domestic markets in Asia Pacific like Singapore, Philippines and China has remained to be growth areas for the Group.

With the propensity of hospitals to tap the linen-leasing and linen management service lines, the Group sees continued growth in the Hospital Services business.

Cost factors especially raw material, labour and energy remains to be a challenge. The Group is looking for ways on improving efficiencies and cost control measures to counter rising material and energy costs.

The Group will leverage on the cost-efficient Cambodia production base and expand the facemask production in the Philippines to improve efficiency and increase capacity.

Barring unforeseen circumstances, the Group expects to be more profitable in the financial year ending 31 December 2020.

11. Dividend:

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

None.

(b) Previous corresponding period (cents)

None.

(c) The date the dividend is payable

Not applicable.

(d) 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.

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

No dividend has been declared / recommended for the financial year ended 31 December 2019, to conserve cash to meet higher working capital requirements and capital expenditures so as to improve the efficiency of our operation.

13. **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.

14. **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(I).**

The Company has procured undertakings from all its directors and executive officers (in the format as set out in Appendix 7H) in accordance with Rule 720(I) of the Catalyst Rules.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Geographical Segment

	USA	ASIA PACIFIC	EUROPE	CANADA	GROUP
2019					
Turnover	7,743	28,434	32,729	71	<u>68,977</u>
Results	426	1,564	1,800	4	3,794
Financial expenses					(2,486)
Financial income					209
Taxation					(351)
Net profit					<u>1,166</u>
Total assets	543	114,526	1,534	–	116,603
Total liabilities	–	–	–	–	52,013
Capital expenditure	–	–	–	–	–
Depreciation and amortisation	–	–	–	–	5,752
Provision for inventory obsolescence	–	–	–	–	246
Provision for doubtful accounts	–	–	–	–	–
Other non-cash expenses	–	–	–	–	–

	USA	ASIA PACIFIC	EUROPE	CANADA	GROUP
2018					
Turnover	7,825	28,468	32,007	4	68,304
Results	352	1,281	1,440	–	3,073
Financial expenses					(1,998)
Financial income					111
Taxation					(272)
Net profit					914
Total assets	543	110,813	1,534	–	112,890
Total liabilities	–	–	–	–	49,542
Capital expenditure	–	–	–	–	478
Depreciation and amortisation	–	–	–	–	5,053
Provision for inventory obsolescence	–	–	–	–	450
Provision for doubtful accounts	–	–	–	–	150
Other non-cash expenses	–	–	–	–	1,919

Business Segment	Turnover (US\$'000)			Profit Before Taxation and Non-controlling Interest (US\$'000)		
	Latest Year FY19 Unaudited	Previous Year FY18 Audited	% Change	Latest Year FY19	Previous Year FY18	% Change
Manufacturing	52,928	52,209	1.4	1,301	826	57.5
Hospital Services	14,271	13,965	2.2	(52)	230	(122.6)
Distribution and Others	1,778	2,130	(16.5)	268	130	106.2
Total	68,977	68,304	1.0	1,517	1,186	27.9

Revenues include rental income amounting to US\$0.6 million in FY19 and nil in FY18.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Not applicable.

17. A breakdown of sales as follows:

	Group		
	US\$'000		% Increase (Decrease)
	2019	2018	
Sales reported for first half year	33,155	32,963	0.6
Operating profit / loss after tax before deducting non-controlling interests reported for first half year	386	352	9.7
Sales reported for second half year	35,822	35,342	1.4
Operating profit / loss after tax before deducting non-controlling interests reported for second half year	780	562	38.8

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

Not applicable.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Sherry Chen Su-Tien	65	Spouse of Mr. Clement Yang Ker-Cheng, Executive Chairman of the Company and mother to Mr. William Yang Weiyuan, Chief Executive Officer of the Company.	Non-Executive Chairman of Medtecs (Taiwan) Corporation since 2 May 2018.	None.

BY ORDER OF THE BOARD

Clement Yang Ker-Cheng
Executive Chairman
27 February 2020