



MEDTECS INTERNATIONAL CORPORATION LIMITED
(Incorporated in Bermuda)

Announcement on Selected Financial Information for the Nine Months Ended 30 September 2021 and FY2021 Outlook

The Board of Directors (the "**Board**") of Medtecs International Corporation Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to update shareholders regarding selected financial results of the Group for the nine months ended 30 September 2021 ("**9M 2021**").

Demand for the Group's personal protective equipment ("**PPE**") has lowered compared to previous quarters due to completion of stock-piling exercises by our existing customers in 2020, the subsequent inventory adjustment attributable to certain customers, and the stabilisation of the supply and prices of the PPE market globally. Profitability also declined substantially due to lower revenues, a shift in the Group's revenue stream to lower-margined OEM items, and higher selling and distribution costs.

Based on the preliminary assessment of the latest unaudited consolidated management accounts, as set out in the following table, in 9M 2021, the Group's total revenues decreased to US\$115.36 million, with after-tax net profit decreasing by 77% to US\$19.26 million, compared to the same period last year.

	9M 2021	9M 2020	Decrease	Percentage Decrease (%)
(US\$'000)				
Revenues	115,359	287,199	(171,840)	(59.8%)
Gross Profit	38,453	116,884	(78,431)	(67.1%)
Net Profit	19,258	84,634	(65,376)	(77.2%)

The Group has prioritised investment in building its "Medtecs" and "CoverU" brands and in advertising and distribution of its products as we aim to increase Business to Consumer (B2C) sales through major chain stores, pharmacies and supermarkets. In addition, the Group makes full use of e-commerce platforms such as Amazon, Alibaba, Shopee and Medtecs Express through its business model of "Source and Sell Globally" to further promote growth in its retail business. The Group remains active in securing stock-piling government contracts and has several ongoing stock-piling projects for PPEs and military uniforms in the Philippines.

As part of its growth strategy, the Group intends to set up a glove manufacturing facility in Cambodia to expand its production capacity and product offering with a view to ultimately building a resilient global PPE supply chain. Please refer to the Company's SGXNET announcement dated 22 November 2021 for further information. We are also exploring the possibility of foraying into the renewable energy market to develop another growth driver and will provide further details to shareholders if and when these materialise.

Barring unforeseen circumstances, the Company expects to remain profitable for the fourth quarter of the financial year ending 31 December 2021 ("**FY2021**") and for FY2021 as a whole; however, we expect our sales and profitability for the second half of FY2021 to be lower than that of the first half of FY2021.

This announcement is based on a preliminary assessment of the latest unaudited consolidated

management accounts of the Group and is not based on any financial figures or information which have been audited or reviewed by the Group's auditors. Accordingly, shareholders are cautioned not to place undue reliance on forward-looking statements within this announcement, which are based on the current view of management regarding future events. The Company will provide further details of the Group's performance as and when appropriate (including providing relevant business updates between the announcements of its financial results).

Submitted by Mr Clement Yang, Executive Chairman, on 22 November 2021 to the SGX-ST.

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, R & T Corporate Services Pte. Ltd, ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the figures used, statements, opinions or other information made or disclosed.*

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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